

Relief in Ford camp after narrow victory in primary

President Ford and his Republican rival, Mr Ronald Reagan, are both claiming a victory after close result in their party's primary in New Hampshire. Mr Ford gained 51 per cent of today's vote to his opponent's 49 per cent.

Mr Reagan claims a success as well

Mr Ford's victory in the New Hampshire primary was a narrow one, with 51 per cent of the vote against 49 per cent for Mr Reagan. Mr Ford's victory was a relief to his supporters, but Mr Reagan also claimed a success. He said that he had won the hearts and minds of the people of New Hampshire. He said that he had won the hearts and minds of the people of New Hampshire. He said that he had won the hearts and minds of the people of New Hampshire.

Gulf agrees to North Sea share for state

Gulf Oil, the American-based corporation, will today become the first company voluntarily to agree to a stake for the newly formed British National Oil Corporation in its North Sea oil fields. The agreement was announced today by the company and the government. It is a landmark decision in the history of the North Sea oil fields.

RSPCA says it has been against foxhunting since 1971

Major Seager said yesterday that the society had been opposed to foxhunting since 1971. He said that the society had been opposed to foxhunting since 1971. He said that the society had been opposed to foxhunting since 1971.



A Muscovite passing a poster of Mrs Thatcher on her "cold war" broomstick.

Soviet poster attacks 'Mrs Witch'

The poster is the latest shot in a Soviet campaign against Mrs Thatcher. It depicts her as a witch, a symbol of evil and darkness. The poster is a clear attack on her leadership and policies.

Cancel invitation to Brazilian President, Labour NEC demands

Labour's national executive committee called upon the Government yesterday to advise the cancellation of the planned visit to Britain of General Ernesto Geisel, President of Brazil. The committee argued that the visit was a disgrace to the country.

Mr Jones defeats TUC critics of Government

Mr Jones, leader of the Labour Party, defeated critics of the Government in a vote at the Labour Party conference. He argued that the Government's policies were necessary for the country's future. He argued that the Government's policies were necessary for the country's future.

Miles first British grandmaster

Mr Miles, a chess player, has become the first British grandmaster. He achieved this feat by winning a tournament in London. He achieved this feat by winning a tournament in London.

Rhodesian forces cross into Mozambique

Rhodesian forces have crossed into Mozambique, a move that has caused concern in the international community. The forces are reported to be on a mission to secure the border area. The forces are reported to be on a mission to secure the border area.

Iceland refuses to accept Nato cod war observers

Iceland has refused to accept NATO cod war observers, a decision that has caused tension between the two sides. Iceland argued that the observers would interfere with its fishing industry. Iceland argued that the observers would interfere with its fishing industry.

Industry 'ran overall loss' for a year

The manufacturing industry in the United Kingdom has run an overall loss for the first time in a year. This is due to a combination of factors, including rising costs and falling demand. This is due to a combination of factors, including rising costs and falling demand.

'Schh' the not so secret row

A row between the advertising industry and the government has been resolved. The government has agreed to a new set of regulations for the industry. The government has agreed to a new set of regulations for the industry.

Fears on police Bill

There are fears that the proposed Police Bill will undermine the independence of the police. Critics argue that the bill gives too much power to the government. Critics argue that the bill gives too much power to the government.

Move in barony case

A move to change the rules governing the creation of baronies has been proposed. This move is seen as a significant change to the peerage system. This move is seen as a significant change to the peerage system.

More Forces cuts 'might harm Britain in Nato'

There are concerns that cuts in the British armed forces could harm the country's position within NATO. Critics argue that the cuts would weaken the alliance. Critics argue that the cuts would weaken the alliance.

Notice setback

Mr Kelly's bid for the Labour Party leadership has suffered a setback. He has lost support from some of his key backers. He has lost support from some of his key backers.

Fusion deadlock

The Council of Ministers has reached a deadlock over the fusion of nuclear power. The council is unable to agree on a course of action. The council is unable to agree on a course of action.

Nixon 'peace bridge'

Mr Nixon's efforts to build a 'peace bridge' between the United States and China have been praised. His diplomatic skills are being lauded. His diplomatic skills are being lauded.

Home News

Home News: A collection of news items from across the country. Topics include local elections, community events, and social issues. Topics include local elections, community events, and social issues.

Church

Church: News from the religious community. Topics include church services, religious events, and theological discussions. Topics include church services, religious events, and theological discussions.

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HOME NEWS

Unions and ministers defeat call by left for party conference

By Michael Hatfield
Political Staff

Cabinet ministers and trade union leaders yesterday combined to push Labour's left-wing further out on a limb by defeating a motion before the party's national executive calling for a special conference on unemployment and the economic situation.

It was one of the most revealing votes to have taken place inside the national executive since Labour took office two years ago, for it demonstrated the alliances that have built up and remain intact by force of circumstances.

Mr Wilson took the unusual step of voting because of the fear that the Government might be faced with a party conference. Mr Benn, on the other hand, was the only minister to vote for the left-wing motion tabled by Miss Joan Maynard.

But the most telling vote was that of Mr Alexander Kilson, a left-wing trade unionist with the Transport and General Workers' Union, who voted against the motion. It became clear afterwards that he had been in conversation with Mr Jack Jones, general secretary of the union, who is resisting any pressures that might open up the possibility of splits in the concord between the Government and the unions.

The difficulties of the left were further amplified by the fact that only six constituency parties have submitted resolutions for a special party conference. There is also the incident on Monday at the TUC Labour Party liaison committee, which was not reported, when Mr Mikardo, who said that the Government was losing touch with the trade union movement, was gently but firmly rebuffed by Lord Allen of Fallowfield, of the shopworkers' union, and Mr David Bennett, of the General and Municipal Workers' Union.

Only two of twelve trade unionists on the national executive voted for the motion: Mr John Forrester, of the technical and supervisory section of the Amalgamated Union of Engineering Workers, and Mr

Capital expenditure on the Home Office's urban aid plans is expected to be cut to a fraction of what it was

A setback for those fighting against inner-city poverty

By Peter Evans
Home Affairs Correspondent

A big setback for Home Office policy on inter-city deprivation is disarming organizations trying to alleviate the condition.

Details of Home Office strategy emerging since publication of the White Paper on public expenditure indicate that capital expenditure on inner-city areas is being reduced in a fraction of what it was.

It is among provisions mentioned under the general heading of community services which in 1970-71 had £12.1m in capital expenditure (at 1975 prices). The figure for 1973-74 was £3.2m; but in 1975-76 it will be only £1m.

Although ministers are expected to make the most of the project soon to be announced as the latest stage of the urban programme, in the longer term the programme will be one of the main casualties of the capital cuts.

So far no capital programme by the Home Office has emerged to replace it. Mr Jenkins, Home Secretary, has yet to get off the ground the 'new strategy for tackling urban deprivation', which he announced on July 18, 1974. That involved the preparation of comprehensive community programmes (CCPs) by local authorities for the urban areas of most acute multiple deprivation. The Home Office has not said how much capital it is to spend in the programmes, but the expectation is very little.

Certainly future aid for urban deprivation is nowhere near what Mr Jenkins argued for in 1972 in a Fontana paperback, *What Matters Now*, and proposed capital expenditure falls far short of Labour's election promises.

Calling for a development of the urban programme, which is now seriously threatened, he wrote: "An eightfold expansion of the whole programme could cost only about £120m a year. This is not too heavy a price to pay to attack the manifold squalor in areas where poverty abounds."

But now it appears that it is too heavy a price. The Labour Party manifesto for the October 1974 election promised: "We shall vigorously pursue policies for the elimination of areas of deprivation which are the most dangerous breeding grounds of juvenile and other crime."

The capital cuts will also affect future projects which

voluntary organizations, black people and others think essential to the prevention of racial tension. For example, Mr Mark Carter, chairman of the Community Relations Commission, argued in 1974 the urgent need for a coordinated programme to tackle the vast and growing difficulties of inner cities.

His message was echoed by the Government later. Mr Thomas Rees, a former civil servant who worked as a consultant to Mr Healey's Central Policy Review group and is now director of the Runnymede Trust, indicated how much the Government's own strategy depends on tackling inner-city ills.

He told me: "If the White Paper on racial discrimination is to be taken seriously the Home Office will have to announce what capital spending programme it has in mind to tackle inner-city poverty."

At present the Government's Race Relations Bill is before Parliament. The White Paper that preceded it said: "The Government recognizes that what is here proposed for a further attack on discrimination must be supplemented by a more comprehensive strategy for dealing with the related

in some means something different.

The paragraph of explanation goes into far less detail than the one in the corresponding report a year previous, and in one respect is actually misleading. It says:

"The increase over the period in the programme as a whole has been reduced. Within this, provision is included for the urban programme grants to voluntary bodies and the new Equal Opportunities Commission aid for replacing the separate Race Relations Board and Community Relations Commission."

Study of a table of expenditure elsewhere in the report indicates that far from being increased, the programme has been slightly reduced. Moreover, less will be spent on community services as a whole in 1975-76 than in 1974-75 (£33m compared with £37.7m).

To some extent the nature of the cut is judged by the increased current expenditure forming a component in the total. That will rise to £22m in 1975-76, compared with £20m in 1974-75. The harsh fact is that the capital expenditure on community services is being reduced to no more than £1m in 1975-76.

The Home Office has been persuaded to explain what that change strategy means. To organizations such as the Community Relations Commission, which counts much on current expenditure, although that also is being cut, it is an important part of the aid that has been secured by the expenditure.

Mr Beacock says: "The aid of the programme in the past has been on the capital things provided range from accommodation for homeless people to treatment of holes and addicks."

That was the intention of the Local Government (Social Needs) Act, 1969, which authorized the urban programme. Mr Callaghan, Home Secretary, told the House: "The purpose of the Bill is to provide for the aid of the poorest of our citizens who live in the poorest of our cities and parts of our cities and as it is intended to attack the means, and reverse the spiral which afflicts many of these areas. That is a deadly quagmire of need, poverty."

Britain has to mark time, Chancellor says

By David Wood
Political Editor

Facing his critics in the Parliamentary Labour Party last night, Mr Healey, Chancellor of the Exchequer, claimed that the White Paper on public expenditure "represents no change in the basic philosophy of our movement."

It is simply, he said, that after three years in which public spending had risen nearly 20 per cent, while the nation's wealth rose under 2 per cent, "we shall have to mark time for a few years."

In fact, he added, in the coming financial year public expenditure would still be more than £1,000m higher in real terms than it was this year, and the levelling-off would not begin until April, 1977. He insisted: "We are cutting public expenditure below the present level; we are simply forgoing the increase in our spending programmes which we planned last year."

Mr Healey broadened the left wing's target as he went to try to persuade the Chancellor to reshape some of his proposals. The trade union movement would be having discussions with him and other ministers "to try to ensure that on the essentials we are not going to reduce our overall public expenditure, and I believe we shall succeed in that."

Asked whether the trade unions would cooperate as much with a Conservative Government as a Labour one, Mr Jones answered: "Look, the trade union movement needs to deal with the government of the day, the prime minister of the day, the government may be but with this government there is an affinity and understanding."

Mr Healey added his comment. He knew well that trade union leaders were responsible people who put the country's interests before anything else. But he also had responsibilities to his own members.

"I think that with the best will in the world," he said, "they would find it very difficult to cooperate with a government which was so indifferent to unemployment that it wanted very much bigger cuts in public expenditure, wanted to reverse all the trade union legislation which we have put through, and which wants to repeal the capital transfer tax."

Miners lost most working days

By Christopher Thomas
Labour Staff

The larger the concern, the greater the number of stoppages and the longer they last. That is the official finding of a Department of Employment survey of stoppages in manufacturing industry from 1966 to 1973 published today.

Miners lost the most working days and were third highest in the number of stoppages, the survey found. Port and inland water transport had the most stoppages and was second to the miners in lost working days. Motor vehicle manufacturing came high up both in terms of stoppages and the number of days lost.

One of the best records was held by the agriculture, forestry and fishing industry, which had a small number of stoppages for every 100,000 employees and compared well in the number of working days lost for each 1,000 workers.

The survey points out that the annual figures for lost days can be influenced by a single dispute. For example, there were widespread unofficial strikes by miners in the militant coalfields in 1969 and 1970, which in some cases went on for several weeks.

Postal services and telecommunications, influenced by the prolonged strike of 1971, took fifth place in working days lost, with shipbuilding and marine engineering coming a close sixth. Ship repair, affected by the 1966 dispute, had one of the worst records for days lost.

The survey, which is published in the Department of Employment Gazette, says that, in compiling the total number of days lost, workers both directly and indirectly involved were taken into account. Therefore the calculation could not be regarded as a wholly satisfactory measure of strike proneness.

Insurance, banking, finance and services had the lowest number of stoppages. Good records were also held by the distributive trades, the professional and scientific services, the paper, printing and publishing industry and by gas, electricity and water supply.

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Small is peaceful, page 23

Sir Robert Mark casts doubt on the adequacy of police Bill

By Clive Borrell

Fears that the police Bill now before Parliament, which introduces the first time an independent element into the investigation of complaints against police officers, will be inadequate were expressed by Sir Robert Mark, Commissioner of the Metropolitan Police, yesterday.

Speaking to the Conservative Women's Association at Caxton Hall, Westminster, he said that 1,832 complaints against his officers were under investigation.

"We cannot ensure that police officers will not do wrong, but the number who do so is diminishing," he said. "What we can do is to ensure that complaints of wrongdoing are dealt with impartially, thoroughly and quickly, and that the system for dealing with internal wrongdoing to be found in any organization in this country."

"Our fears about the police Bill are that it will increase our accountability but that it will lessen the effectiveness of our disciplinary system by reducing it to the level of criminal justice, which is notoriously inadequate for dealing with corrupt policemen."

The reason for these fears, he said, was the unwillingness of

Three to face tribunal after death of baby

By Clive Borrell

Three Rochdale Area Health Authority employees who were criticized at an inquiry into the death of Andrew Brown, aged three months, will appear before a disciplinary tribunal, probably next month, Mr Jack Yates, administrator at the authority's headquarters, said yesterday.

The baby died of death after an operation for club-foot at Radcliffe Infirmary in October, 1974.

The three are Mr Glen Wilkinson, Mr Eric Clegg and Mr Edward O'Callaghan. Mr Wilkinson, area administrator, operations, was said in the inquiry report to have acted with ill-considered judgment in the events after the boy's death.

Tribunal rules editor was unfairly dismissed

By Clive Borrell

An industrial tribunal yesterday ruled that Mrs Kathleen Rogers, editor of the *Diss Express*, in Norfolk, was unfairly dismissed. It said her dismissal was genuinely by reason of redundancy, but the manner of it was abrupt and perfunctory and most unsatisfactory.

Mrs Rogers, aged 46, received a letter last September 11, telling her she was being made redundant the next day.

She told the tribunal at Bury St Edmunds that she worked for two weeks without pay to clear up her office after being made redundant.

Her claim of unfair dismissal was supported by the National Union of Journalists, which said the outcome might have

Mr Healey and Mr Jones share top TV billing

By Our Political Editor

In a demonstration of the continuing concord between the Government and the trade unions, Mr Healey, Chancellor of the Exchequer, and Mr Jack Jones, leader of the Transport and General Workers' Union, last night shared top billing in a Labour Party political broadcast on television.

Mr Healey described the £5 pay limit as extraordinarily successful, and then added his impression that although all trade unionists were mainly concerned now with mulling over the limit sticks for the rest of the present wage round, "they are determined that we shall not throw away the gains we have made in inflation front by letting things rip again next year."

Not for the first time recently, the Chancellor remarked that trade unionists, like anybody else, were very worried about the high level of taxation. They regarded the Government could not go on improving the social services at the present rate for ever.

"Unless," he said, "we are to have tax increases which are far greater than the high level of taxation. They regard the Government could not go on improving the social services at the present rate for ever."

For his part, Mr Jones explained that the proposal cuts in expenditure really did not

Dismissed BBC men fail to win appeal

By Kenneth Gossling

Senior Antonio Carrazo and Senior Jorge Ribeiro, the Portuguese programme assistants dismissed from the BBC's External Services department for "lapses in professional performance," have had their appeals rejected by Sir Charles Curran, Director-General of the BBC.

They received their dismissal notices in October after a year of their conduct. They appealed first, unsuccessfully, to Mr Gerald Mansell, managing director of external broadcasting.

At separate hearings before Sir Charles, the two men, who were employed in the Portuguese Service, were represented by the Association of Broadcasting and Allied Staffs.

In July last the BBC agreed that it had not been objective in its Portuguese service broadcasting. It was then that Senior Carrazo and Senior Ribeiro were given their first warnings.

Later the matter was raised in the House of Commons by Mr Winston Churchill, Conservative MP for Streatham. He asked Mr Callaghan, Foreign Secretary, to make it a condition of his department's grant to the external services that they should cease to employ avowed members of communist or communist-front parties.

Weather forecast and recordings

By Kenneth Gossling

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Mr Callaghan defends invitation to Brazilian President

'to strengthen the traditional friendship'

Continued from page 1

The Prime Minister was not present during the debate because he had a lunch appointment and had already been delayed by taking part in the vote on the motion for a special party conference.

Mr Mulley, Secretary of State for Education and Science, spoke against the Brazil motion, but no ministers took part in the vote, most of them having left the meeting.

Among those who voted in favour were Labour MPs: Mrs Hart, Miss Maynard, Miss Lesnor, Mrs Short, Mrs Jeger, Mr Mikardo, Mr Heffer, and Mr Allan; trade unionists: Mr Kilson, Mr John Forrester, Mr Brian Stanley, and Mr Emylin Williams; Young Socialist: Mr N. Bradley.

The following are the texts of the letter Mr Callaghan, Foreign Secretary, sent to the Labour Party's national executive before it discussed the proposed visit of the Brazilian President to Britain, and of the letter Mr Rowlands, Under-Secretary of State, Foreign Office, sent to MPs who are protesting about the proposal: Dear Ron, I am sorry I cannot be at tomorrow's meeting. I hope in my absence you can circulate the attached letters for the information of the NEC. I have seen the motion submitted by Alec Kilson for consideration on February 25 which contains the suggestion that the President of Brazil should be invited to make a state visit to this country.

Students leave union

By Kenneth Gossling

Students at Strathclyde University yesterday decided by 501 votes to 419 to break away from the National Union of Students. At Andrews University a similar decision was taken last month.

Dismissing BBC men fail to win appeal

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HOME NEWS

White Paper figure of 10,000 jobs fixed in defence cuts highly misleading, MPs say

Henry Stanhope, Conservative MP for the Ministry of Defence, has today rebuked in a parliamentary report for publishing a highly misleading figure of 10,000 jobs in the Defence Review. It was, he said, a "grossly inflated" figure, and the report says of a "grossly inflated" figure.

The White Paper had estimated that the Government's plan to cut £4,000m from the defence budget over the next five years would mean the loss of 10,000 jobs in defence industries. The House of Commons Expenditure Committee, however, has discovered that the total loss of jobs opportunities from 1978-82 might be nearly 140,000.

The committee said the figure of 10,000 jobs was derived from the fact that the Government's plan to cut £4,000m from the defence budget over the next five years would mean the loss of 10,000 jobs in defence industries. The House of Commons Expenditure Committee, however, has discovered that the total loss of jobs opportunities from 1978-82 might be nearly 140,000.

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employment in a way which could be thought misleading.

"This we regard as a regrettable error of judgment, since it could create the false impression that defence cuts do not seriously affect the level of job opportunities in the defence industries."

The Defence and External Affairs Sub-committee, which has compiled the report on the effects of the Defence Review, also criticizes the decision to cut manpower in the services by 36,000, including an estimated 11,000 compulsory redundancies.

"We deplore the premature termination of the engagements of fully trained and useful men who wish to remain or undertake a further engagement, while new recruits are engaged and have to be trained from scratch at considerable cost."

The services have had to endure a succession of defence reviews and spending cuts which must damage confidence and morale, the report adds.

It considers it "highly unsatisfactory" that the Ministry of Defence has failed to give a date by which all those to be made redundant will be notified. Bigger employers should be encouraged to find jobs for ex-servicemen, and help should be given where possible by providing council houses and local authority mortgages.

The committee is also highly sceptical about plans of the Anglo-German-Japanese Anti-Roll Combat Aircraft (ARCRA) programme. It notes "with regret" that the programme is "not a surprise" that optimistic predictions about costs and delivery dates two years ago have again been revised. The cost of the strike reconnaissance model was said to be £3.9m each in September, 1974.

Most of the doubts are reserved for the controversial air defence variant (ADV), which is



Lord Glenkilg (left) and Mr Harold Lever, MP, during the second annual bridge tournament between the Lords, the trophy holders, and the Commons, who won yesterday.

Family violence under scrutiny

By Our Social Services Correspondent

The Government has reconvened the select committee on battered wives and babies under a different title and with changed terms of reference. Instead of investigating violence in marriage, the new committee will study violence in the family.

The new terms of reference omit any mention of non-accidental injury to children which the previous committee had set out in its terms. But they are wide enough to take in battered babies

The committee is expected initially to examine the investigations into the difficulties of battered wives, so which its predecessor produced an interim report last September. That report recommended the reconvening of the committee as a matter of urgency.

The Government has set up several research projects in response to the report, and supports the Domestic Violence Bill sponsored by Miss J. Richardson, Labour MP for Barking, which would implement some of the recommendations.

The new committee's terms of reference are: "to consider the extent, nature and causes of

the problems of families where there is violence; and to make recommendations." Twelve members of the committee have been named, but one more has yet to be appointed. The 12 are: Mr Atkins (Preston North, Lab); Mr Brotherton (Lough, C); Mrs Butler (Bristol, Lab); Mr G. C. L. and Co. (Preston North, Lab); Mr G. C. L. and Co. (Preston North, Lab); Mr G. C. L. and Co. (Preston North, Lab); Mr G. C. L. and Co. (Preston North, Lab); Mr G. C. L. and Co. (Preston North, Lab); Mr G. C. L. and Co. (Preston North, Lab); Mr G. C. L. and Co. (Preston North, Lab); Mr G. C. L. and Co. (Preston North, Lab); Mr G. C. L. and Co. (Preston North, Lab).

Surprise move in the Amphill barony case

By Marcel Berlins

The Amphill barony hearing may come to a sudden end today after a surprise move on behalf of Mr John Russell, one of the claimants.

Mr Harry Law, appearing for Mr Russell before the House of Lords Committee of Privileges, disclosed the results of blood tests taken from the late third Lord Amphill, the succession to whose title is in issue, and challenged Mr Geoffrey Russell, the other claimant, to match them with samples of his own blood and that of his late mother, Christabel Lady Amphill.

Mr Law said: "In the event of its being established that Geoffrey cannot be eliminated as the son of the third baron, John will take no further part in the proceedings. His petition claiming the barony would be withdrawn. That would leave Mr Geoffrey Russell as the sole claimant."

Mr Law added that if, however, Mr Geoffrey Russell's advisers having had a chance to study the report on the results of the test on the third Lord Amphill, took no action that would call for an explanation. If that happened it would be an indication that Mr Geoffrey Russell could not be the third Lord Amphill's son, and that Christabel, his mother, was aware of the fact when bringing proceedings in 1926 to declare him illegitimate. That would amount to fraud on her part and would render the declaration of legitimacy invalid.

Mr Law was responding to indications from members of the committee of nine that they regarded the declaration of

Board accused of mistaken policy on Amin refugees

By Our Home Affairs Correspondent

Mr Mark Bonham Carter, chairman of the Community Relations Commission, yesterday blamed the Uganda Resettlement Board, of which he was a member, for a mistaken policy towards refugees evicted by President Amin.

Those best able to help newcomers were their own people, he said. "The policy of dispersal completely failed to make use of this."

He was launching a report by the commission's reference and community services division. It said that evacuees assisted by the Uganda Resettlement Board were cut off from sources of community support. Those helped by the East African Asian community were cut off from the board's official resettlement assistance.

The failure to use self-help by the community was partly to blame for disturbing facts outlined by the report.

Nearly half the families are overcrowded housing, one family in 10 has no wage-earner, half have low incomes, half have an elderly, sick or disabled member, and many have a deficient diet.

The appointment of five resettlement officers in areas where most Asian evacuees have settled is among recommendations to meet their continuing needs. Health visitors and community health workers were needed. There should be a loan service for selected Asians to borrow money, using as collateral the eventual repatriation of compensation for property in Uganda and insurance policies.

Refugee or Home? a policy statement on the resettlement of refugees, (Community Relations Commission, 75p).

Drinking is highest since 1914

Our Medical Reporter

The National Council on Alcoholism today says that alcohol consumption in Britain in 1974 was the highest since 1914.

Giving a warning against easy measures of control, the council says the evidence that drinking laws do control consumption is well documented.

In 1974 adults in Britain consumed 23 gallons of beer, 1.5 gallons of spirits, and more than three times as much wine as in 1914. The combined total of pedestrian deaths and drunken driving offences of 1974 approached the level of 1914-1918, which averaged 185,338 a year.

Noting that one of the best measures of a change in alcohol habits is the cirrhosis rate, the report says that in the past 10 years there has been an increase of 29 per cent deaths from cirrhosis.

The council says that any measure with present laws but have an effect on consumption rates that would adversely affect the health of the nation. If the rising level of alcohol drinking was aggravated by a liberalizing of public house opening hours only effective measure would be to limit any future government increase in taxation. A substantial rise in duty would be unfair to most social drinkers of average means.

Shut beer up.

A pint of beer in the Irish public will cost an extra 40p. A 2p increase in the breweries and an extra 10p in last month's Budget.

£2.5m state aid for machine that did not exist

A company in Northern Ireland that was given £2.5m in government aid to produce electronic cash registers now makes mechanical ones for other companies. MPs learnt in a report made available yesterday.

The report is made by Mr P. A. Sythes, Comptroller and Auditor General for Northern Ireland. The company is Reunion International, of Londonderry. It is managed by appointees of the Northern Ireland Finance Corporation, a public body, which took over a controlling interest in September, 1972.

The Ulster Department of Commerce opened negotiations with the company, which was Norwegian-run, in 1970. The

department was not told that the company was heavily indebted to an American bank, and in 1971 a bank omnibus replaced the majority shareholders, with whom the department had been negotiating.

The company told the department that it had perfected an electronic cash register. The department believed the company's future profitability depended on the success of the machine.

In September, 1972, the company applied for assistance to help it to reach the market first with the electronic cash register. The industrial advisory committee to which the request was referred was concerned because it understood that the machine had already been developed.

It was now clear, the committee said, that the "earlier machine" was merely electro-mechanical. The department officials did not think it incorrect in 1970 to describe the machine as electronic "since it contained electronic as well as electrical and mechanical components."

But, the department said, it might have been an exaggeration to have said in 1970 that an electronic machine had been perfected. The department gave initial assistance of £1.6m and provided tenancy of factory and office space on generous financial concessions.

In 1973 differences between the company's chairman and management appeared, and the department and the bank involved to be endangering the

company's operations. The Northern Ireland Finance Corporation then took a £175,000 holding, thus gaining control. In 1974 the company was reorganized. Manufacture of cash registers ceased, and a change was made to other engineering products, assisted by continuing support from public funds of about £40,000 a month. A budget reduction in 1975 reduced the work force to 250.

Mr Sythes states: "The total cost to public funds to August 31, 1975, of assisting this company has been £2.5m, of which the department has paid £1.2m and the finance corporation £1.3m."

Northern Ireland Appropriation Accounts, 1974-75. Stationery Office, £2.

Firms fear sugar 'mountain'

Makers of sweets and chocolate said yesterday that price rises proposed for British growers of sugar beet under EEC farm policy were excessive.

"There is a strong possibility that there will be a sugar 'mountain' in the EEC next year," they added.

The proposed rise of just over 7p in the pound has been condemned as utterly inadequate by the National Farmers' Union. The amount to be paid will be decided next week by EEC ministers in the farm price review for member states. The NFU supports a claim by farmers throughout the EEC for a rise of 13p in the pound.

Mr Ivo Thomas, chairman of the supply committee of the Cocoa, Chocolate & Confectionery Alliance, said yesterday that the price rise paid for sugar beet should be similar to that proposed for milk: 2p in the pound in March and a further 4p in September.

The alliance represents 200 companies using more than 400,000 tons of sugar a year.

"EEC sugar output it said, would exceed demand. The Community's needs, but support prices under the common agricultural policy would mean that the excess would be produced at too high a price to sell outside the Community."

Commission on gambling invites views

By a Staff Reporter

The Royal Commission on Gambling met for the first time yesterday and invited views from organizations and individuals. It has been asked for an early interim report on the possibility of a levy on football pools to aid sport.

After the meeting, Lord Rothschild, the commission's chairman, said: "Gambling produces a reflux of revenue for the Exchequer and an almost equal quantity of emotion; both on the part of those who are hostile and of those who regard gambling as an innocent pastime."

"Many people will have views on this subject and we hope they will write to us about them."

The commission's address is 20 Grosvenor Hill, London W1N 0REX.

Football specials may run again with safeguards

From Arthur Osman

Mr Howell, Minister of State at the Department of the Environment with responsibility for sport and recreation, said yesterday that British Rail's operation in withdrawing football "specials" had cost it £750,000 in lost revenue this season.

It had now indicated that it did not wish to go on losing business to coach operators. A restricted service would probably start in a few weeks, with essential safeguards.

Supporters' club stewards will be offered free tickets and pay to police trains hired by the clubs, which would be allowed a favourable rate of commission.

Mr Howell made his remarks when told that West Midlands County Council was to make a determined effort to control the

Catcalls as RC archbishop meets moderator

From Our Correspondent

Pastor Jack Glass, leader of a band of militant Protestants, stood with about 20 of his supporters carrying anti-Catholic placards and chanting outside Notre Dame College of Education in Glasgow last night as the Moderator of the General Assembly of the Church of Scotland, Dr James Matheson, arrived at the guest of the Roman Catholic Archbishop of Glasgow, Mr Thomas J. Winning.

The moderator addressed priests and lay people from the archdiocese.

Dr Matheson, speaking of religious segregation in Glasgow schools said: "If we are ever to get rid of built-in prejudice and ignorance of each other, if we are to have one Christian people instead of two, we must bring up our children together, not apart. We must work and pray and plan towards integration."

Mr Winning said later: "We are anxious for the Catholic Church to maintain the system of education which ensures that we are able to give our children a Christian formation."

At present I cannot see that Christian formation being done adequately in the non-denominational school system, but I should like to think that we would all work together towards the day when there would be a Christian school which would be acceptable to committed Catholics and committed Christians."

In his address, the moderator based his remarks on the words: "We have a lot to ask forgiveness for—and I speak as a Church of Scotland minister for the ignorance and prejudice we have fostered. We must offer our repentance for it."

Former Speaker supports more Commons TV

By Our Social Services Correspondent

The more the House of Commons could be exposed to television and radio, the better, said Selwyn Lloyd, the former Speaker, said at a Parliamentary Press Gallery luncheon yesterday.

Mr Lloyd, who resigned as Speaker earlier this month, was guest of honour at the luncheon. "It is important that people should see and hear how the House is behaving," he said. "Parliament must come much more into the public eye and ear."

He said the broadcasting experiments were a great success, and he denied that behaviour in the Commons had deteriorated.

"We have our difficult MPs," he said, and laughter. "But standards of behaviour outside the House have deteriorated much more than those within it."

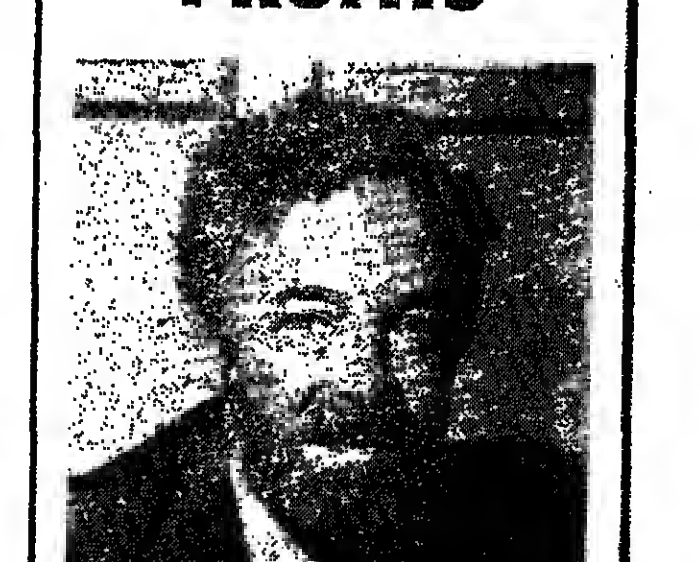
Moorgate girl leaves police

By Our Social Services Correspondent

Miss Margaret Liles, aged 20, whose left leg was amputated below the knee after last year's Moorgate Tube disaster, has left the City of London Police, which she joined a week before the crash which killed 43 people.

She resigned after deciding to accept the disability pension offered to her when she "returned unfit."

"OBSCENE PROFITS"



Roger Opie, Fellow and Lecturer in Economics at New College, Oxford, talking to partners of Barrington Laurance about property and economics.

PROPERTY AND ECONOMICS

one of four discussions in the "Barrington Laurance Symposium"

Roger Opie gives an incisive analysis of the property market and discusses:

Prices & the price system

The boom years

Community land legislation

The "perfect elasticity of bank finance"

Planning restrictions and prices

Long term investment

Other contributors to the Barrington Laurance Symposium are Lord George Brown, Sir Colin Buchanan CBE and Rt. Hon. Peter Walker PC MBE MP. These discussions have now been printed in booklet form and are available on request from the Symposium Secretary.

Barrington Laurance

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Telephone: 01-479 0747

Unsatisfied viewers are on the increase

By Arts Reporter

Public satisfaction with television programmes has been falling, according to a survey published by the BBC's Audience Research Department.

Findings, covering the 1974-75, are based on what is known as the Satisfaction Survey, compiled from replies by television viewers and listeners. The listeners generally more satisfied with the viewers.

Index ranges from +100 and the present number is shown to be a fall of 40, with 30 per cent or less completely satisfied.

30 per cent fairly satisfied, not without reservations.

Industrial action planned over ambulancemen

By Our Labour Staff

Industrial action is being planned by the National and Local Government Officers' Association (NALGO) in a dispute over the assimilation of 270 London ambulancemen into a national pay structure is settled on Monday.

NALGO said yesterday that the action would involve emergency-only cover in central London. "This would not endanger life but would seriously inconvenience hospital services."

Union officials are to meet Mr Meacher, Under-Secretary of State at the Department of Health and Social Security, on Monday. They said yesterday that unless there was a satisfactory outcome to the talks, they would set a date for action.

Woman cleared of harbouring alleged terrorist

By Our Social Services Correspondent

Mrs Lynne Egan, aged 23, accused of harbouring an alleged IRA terrorist, was cleared by Southampton magistrates. The court was told that the Director of Public Prosecutions had decided to offer no evidence against her.

Mrs Egan, of Chiffert Green, Millbrook, Southampton, was arrested in November, was charged with harbouring Donald Brian McLoughlin, also known as Steve McCann, after he had maliciously placed a bomb with intent to cause an explosion. She was awarded personal costs of £39.

Nurses get £6 rises

By Our Social Services Correspondent

Pay increases of £6 a week across the board from April 1 have been agreed for 415,000 nurses and 16,500 other health service workers, the National and Local Government Officers' Association said yesterday. The total cost of the rise, the union added, would be £124.4m a year.

Examples of the new salaries (basic plus pay supplement) are: Pupils, £1,872; auxiliary, £2,258 (maximum); staff nurse, £2,958 (maximum); and ward sister or district nurse, £3,864 (maximum). Lodging charges for resident nurses will rise.

Samaritans often asked for help by unemployed

By Our Social Services Correspondent

Unemployment difficulties appear to be increasing suicide and suicide attempts in Britain, the Samaritans organization suggested yesterday.

Young people leaving schools or universities but unable to find jobs are turning increasingly to the organization for help. So are middle-aged men who cannot tell their wives when they are made redundant.

Figures produced yesterday by the Samaritans showed an increase in the number of young people (those under the age of 24) asking the organization for help. Last year 52,370 called for the first time, an increase of 4,300 over 1974. The total number of clients was 209,478, compared with 192,284 in 1974.

Thameside development plans rejected

By Our Social Services Correspondent

Creative schemes to improve the Thameside area of Bath have been rejected by Mr Croxall, Secretary of State for the Environment. He has backed Bath Council, which rejected changes, which led to public inquiries into the plans by field, a Yeovil company, a restaurant, public house, parking and a footbridge.

John Dahl, the inquiry chairman, had recommended the company should be given permission to build a site where the existing residential and industrial uses of the area would be replaced by a residential development in the Thameside area.

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Old bomb defused

By Our Social Services Correspondent

Army bomb disposal men yesterday defused a 500lb Second World War bomb found on a building site at Lancing.

HOME NEWS

Fear of Ulster prison violence over ending of 'political status'

From Michael Horswell

Belfast

The threat of renewed violence in Northern Ireland prisons increased yesterday when the Government's plans to end special category status for "political prisoners" from Monday were disclosed.

Reliable sources indicated that there would be no compromise with the "loyalist" paramilitary groups who say they will accept prison uniform and work if they are allowed to return to their self-contained compounds at night.

The Government is understood, however, to be aware that, although existing special category prisoners will not be affected by the new plans, offenders after March 1 will be housed in new cell units at the Maze prison, and that the compounds, in which discipline is poor, will be phased out.

Loyalist fury in and outside the prisons is now expected to be added to a campaign by the Provisional IRA to oppose the ending of political status, which was conceded by Mr Whitelaw, when Secretary of State for Northern Ireland, in 1972 after hunger strikes by republican prisoners. Demonstrations similar to those of two years ago when republican prisoners burnt down much of Long Kesh might follow.

But the Government is firmly determined to tackle the issue of special category prisoners after the conclusion by Mr Rees, Secretary of State for Northern Ireland, last November that it gave spurious approval to some of the worst excesses of the prison system.

The plan is part of a Government decision to implement a new remission scheme in Northern Ireland that will allow prisoners conditional release for good behaviour after half their sentences have been served instead of two thirds. But on subsequent conviction they will serve the balance, plus their new sentence. The scheme is being introduced because conditions in Northern Ireland make it impossible to implement the United Kingdom mainland remission scheme, and prisoners never know when they will be released.

About 612 prisoners will be released in the next four months, including 449 in the special category, of which 271 are republicans and 178 loyalists.

Walk-on air service 'would harm balance of payments'

By Arthur Reed

Air Correspondent

The introduction of a walk-on, cheap-fare Skytrain service between London and New York by Laker Airways has adversely affected the balance of payments by between £2m and £4m a year, according to figures published yesterday by the Government.

Those figures, produced by statisticians at the Department of Trade, held to persuade Mr Shore, Secretary of State for Trade, to withdraw in the recent review of British civil aviation, the designation of Laker as a scheduled airline across the North Atlantic.

Mr Shore will use the figures in a speech today in a Commons debate on the review. Employees of Laker are due to lobby MPs in support of the Skytrain.

In the government's case against the Skytrain published yesterday, it is recalled that the annual capacity of the service licensed by the Civil Aviation Authority, is 255,408 seats. That figure would need to be doubled to include the reported 400,000 seats of a competing United States Skytrain.

If four-fifths of the seats were sold, the total number of passengers carried by both Skytrains would be 408,652. That represents one-third of all London-New York traffic carried in 1974.

The introduction of such a service would probably be that all subsonic flights between London and New York would be of the Skytrain type.

Newly-generated traffic on Skytrain would probably amount to a quarter at most, according to the government paper. British Airways estimated that the damage to its gross revenues from the diversion of traffic to Skytrain would be £3m a year from the Laker Skytrain and a further £3m from a United States Skytrain.

The net effect of the Laker Skytrain on the United Kingdom balance of payments would be £1.5m, according to the Laker Skytrain-£1.1m. There would be a net addition to tourist expenditure of £1.3m, but the foreign exchange cost of imported fuel and other items would worsen the deficit by at least £2.2m.

In a recent document on its Skytrain proposals, Laker forecast that they would benefit the balance of payments by £19.4m.

Local authority employees show further increase

By Our Local Government Correspondent

The number of local authority employees in England and Wales increased by a small proportion for the second successive quarter, "according to figures published by the Department of the Environment yesterday."

The total at September 13, 1975, was 1,569,070 full-time and 398,122 part-time staff, showing an increase of 17,118 (1.1 per cent) full-time and a decrease of 18,822 (minus 2.05 per cent) part-time employees on the revised figures for the June quarter.

Using the conversion system adopted for the staff survey to express part-time employees as full-time equivalents, the total of full-time and equivalent staff shows an increase of 14,038 (0.74 per cent) over the year from 1,904,930 to 1,918,968.

The joint staff survey was set up in March, 1975, between government and local authorities to monitor the number of employees in the wide range of local authority activities, after widespread concern at staffing levels as a result of reorganization.

Commenting on the latest quarterly figures, which cover a period of no-growth for local government, the department said it was considered "a relief to detect trends in the figures, which are likely to be affected by a number of factors, including seasonal fluctuations."

Water shortage
The Anglian Water Authority is to seek permission from the Department of the Environment to pump water from the River Great Ouse into its reservoirs. The reservoirs are almost empty because of recent dry weather.

WEST EUROPE

EEC hopes for unlimited source of cheap energy again dashed as ministers wrangle over site

From Michael Horswell

Brussels, Feb 25

Progress on the most important part of the EEC's ambitious programme of research into thermonuclear fusion, which could provide the Community with a cheap, safe and unlimited source of energy in the next century, remained blocked after an all-night meeting of the Council of Ministers ended in deadlock in Brussels today.

As at the previous meeting last December, the stumbling block was the choice of site for the building of the Joint European Torus, usually known as JET. This is a giant experimental rig designed to test reactor conditions required for controlled thermonuclear fusion, the energy source of the sun.

After hours of wrangling, the ministers agreed to set up a committee, comprising mainly national delegates, which is to take a fresh look at the comparative technical merits of the sites being considered for the JET. These include the laboratories of Culham, near Oxford, and the Atomic Energy Authority at Culham, near Oxford.

Dr Guido Brunner, the EEC's commissioner responsible for research, said the committee would report on its findings at the beginning of May and that another meeting of research ministers would be held on June 18 in an attempt to break the deadlock. In the meantime, the matter might also be taken up by foreign ministers and heads of government.

It was vital, Dr Brunner said, that a decision should be taken in June. Further delay could lead to loss of ground to the Soviet Union and the United States, which are pursuing comparable lines of research. He might also encourage the Community's own fusion scientists to look elsewhere for employment.

The main task of the new

committee will be to determine whether previous experience of fusion research and the related science of plasma physics is an indispensable requirement for the JET site. Absence of such experience is the main British and German argument against the EEC's joint research centre at Ispra, in northern Italy.

Ispra has been strongly recommended by the European Commission, which disputes the relevance of the fusion skill of Culham and Garching, near Munich, to the construction phase of the JET. The choice of Ispra, the Commission feels, would put a Community seal on the project and counter the tendency to national fragmentation of research.

Mr Alexander Badie, Parliamentary Under-Secretary of State at the Department of Energy, argued last night that Culham was technically the site that offered the best chance of success for the JET, without the need to develop a container for plasma (ionized gas) at the extremes of temperature and density required to stimulate the fusion of light atoms.

Of this, few positive results of last night's discussion was approval of the financial framework of the next five-year stage of the EEC's fusion programme, which should have begun on January 1. Ministers agreed that the Community contribution should be 232 million units of account (about £96m).

Of this total, 108 million units of account is to be set aside for the JET, about 80 per cent of the project's estimated total cost. The ministers also approved those parts of the EEC's fusion programme directly linked to the JET project, but on Italian insistence they sanctioned only one year's expenditure.

In addition, the Italians abandoned the link they had previously maintained between

agreement on the JET site and approval of three other much smaller research programmes concerning the environment, biology and health protection, and reference materials and methods. These should have begun on January 1.

Pearce Wright writes: Dr Walter Marshall, chief scientific adviser, Department of Energy, said yesterday that support should be given to the port should be given to the construction of a European nuclear fusion reactor, even if it was not built in Britain.

Dr Marshall maintained that it was essential for the next stage of the joint European Torus to be undertaken at one of the few centres with a successful record in fusion physics. Among these centres are the Culham laboratories and research centres at Garching and Cadarache, France.

Yesterday Dr Marshall gave evidence to a special meeting of the Commons Select Committee on Science and Technology held at the House of Lords. He said the European fusion programme had been chosen by an Italian decision to block discussions would hinder the total fusion plan for Europe, which would cost more than £300m.

The Joint European Torus experiment forms part of this. The next meeting of the Community to discuss proposals was on June 18. Dr Marshall said the European Commission would have to do a great deal of work beforehand if the deadlock was to be resolved.

Indeed, the problem was created by the fact that the European Commission who suggested building the new plant at Ispra in the first place. This was an unexpected decision because a special international team had been assembled and had been working at Culham for nearly two years.

Dassault bribery case dismissed

From Our Correspondent

The Hague, Feb 25

Mr Jan Borterman, the French Dassault company's representative in the Netherlands, was today cleared of charges of attempting to bribe Dutch MPs.

He was accused of attempting to bribe two members of the parliamentary defence committee in connection with the sale of Dassault's Mirage F1 combat aircraft as successor to the Lockheed Starfighters. The Dutch Air Force eventually chose an American aircraft.

The case was dismissed by the Amsterdam court on the ground of insufficient evidence. This is the equivalent of a Scottish "not proven" verdict.

The case has attracted great attention in the Netherlands, not only because of its association with the Lockheed bribery scandal, but because of the court president's attack on MPs who had initially accused Dassault of attempting to bribe them.

During the case the chief witness, Mr Piet Dankert, a ruling Labour Party, and Mr Win Keijs, of the opposition Liberal Party, saw their roles reversed. Rather than being witnesses for the prosecution, they found themselves playing almost the role of accused.

The president of the court severely criticized the MPs for not reporting attempts to bribe them to the judicial authorities at a much earlier stage.

Paris Cabinet tackles crime wave fears

From Charles Hargrove

Paris, Feb 25

The Cabinet today discussed steps to improve the security of citizens, feeling threatened by the general increase in crime and the recent spate of kidnappings and hold-ups, have called for greater severity by the police and the law. In particular, the minister of the interior, Mr Raymond, has proposed a national-wide campaign for enforcement of the death penalty.

M. Chirac, the Prime Minister, has attempted already to curb this emotion by emphasizing that the death penalty is now in the hands of the judicial authorities, which would render judgment in accordance with the law. Today President Giscard d'Estaing reinforced this position by insisting that members of the Cabinet should refrain from any statement or comment on current cases "which, whatever their emotional content, must be left to the sole consideration of justice."

However, in response to the popular demand for more effective police measures and greater strictness on the part of the law, the Cabinet agreed to set up a special study committee to look into the causes of crime and delinquency. It will be under the chairmanship of M. Alain Peyrefitte, a minister under General de Gaulle and President Pompidou, and adviser of President Chirac.

A special working group is already studying ways of overcoming the contradictions between

the requirements of information and public order, illustrated once again by the Bertrand case, where the release of information about the kidnapping by the police is held by some to have led to the death of the child.

M. Pompidou, the Minister of the Interior, outlined several measures to reduce criminality, including a tightening of regulations on the sale and possession of firearms and explosives; stiffer sanctions for the illegal wearing of police insignia or uniforms; extension of the right of customs officers to search vehicles to the police and gendarmerie; and compensation for people who assist police or persons in danger, and victims of bomb attacks.

The other side of the law and order picture was discussed today in the National Assembly by a special committee on freedoms provided over by M. Edgar Faure. It has before it two bills, one tabled by the majority and another by the Communists.

M. Raymond, the socialist, said that he thought the whole exercise somewhat academic. "The present world does not lack declarations but rather the reality of human rights," he said.

Dijon, Feb 25—A court here today sentenced to death Algerian-born Mousa Benzaïda, aged 44, for the murder in 1974 of a widow aged 83 while robbing her of her life savings of 12,000 francs (about £1,400). No death sentence has been carried out in France since 1973.—AP.

UN employees go on strike in Geneva

From Our Correspondent

Geneva, Feb 25

Most of the 3,000 United Nations employees at the Palais des Nations and its dependencies today struck in solidarity to have documents printed there and to deny their premises to the seven now-paralysed Palais des Nations.

The crux of the dispute appears to be a simple disagreement relating to the results of a survey, comparing United Nations salaries with those being paid by the United Nations in Geneva, carried out by an independent organization. This was out of the first of its kind by that particular organization; its findings were accepted by both administration and staff.

In commissioning the latest report, the two sides are again reportedly agreed in advance to accept the findings. A special working group is already studying ways of overcoming the contradictions between

such as the International Labour Organization and the World Health Organization, to block an attempt by the United Nations to have documents printed there and to deny their premises to the seven now-paralysed Palais des Nations.

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EEC plan to cut pollution of town atmosphere

From Michael Horswell

Brussels, Feb 25

The European Commission has proposed that the EEC should adopt health protection standards limiting the level of sulphur dioxide and suspended particles in the urban atmosphere.

If adopted by the Nine, the proposal would entail the fixing of maximum yearly, winter and 24-hour concentrations of the two pollutants.

Sulphur dioxide is the most abundant sulphur compound present in urban atmosphere, and the main cause of suspended particles is the burning of fossil fuels such as coal. The Commission proposed the adoption of pollution criteria. One of these identifies concentrations of more than 500 microgrammes per cubic metre as being a cause of higher-than-average death rates.

Too few guard France's art wealth

From Our Own Correspondent

Paris, Feb 25

Although 13 million people visited French museums last year, France's wealth of art treasures could be neither properly displayed nor adequately protected because of a chronic shortage of museum staff, M. Michel Guy, Secretary of State for Cultural Affairs, said today.

M. Guy disclosed that although the state had total or partial responsibility for more than 800 museums, it employed only about 900 attendants fewer than 20 years ago, although there had been a vast increase in the number of visitors.

France spent less on running public museums last year than in 1970.

M. Emmanuel de Margerie, the director of museums, said far too many art objects had to stay in storage because of the staff shortage, while it is reported that the Louvre is forced to shut at least 50 rooms every day. At Versailles, visitors often find that only the royal apartments are open.

Of this year's cultural affairs, budget of 1,600m francs (about £177m), 15 per cent up on last year, the museums obtain 6.7 per cent compared to over 37 per cent for the national theatres and music.

One of M. Guy's senior officials recently observed the arts budget had progressed from the "catastrophic to the tolerable". But it still only represents 0.5 per cent of the total French budget, and less than half of what the state will spend on youth and sports this year.

The question being asked in art circles is whether for a very small relative increase in government spending France could

Police shoot youth dead in clash near Alicante

From Harry Debellus

Madrid, Feb 25

Police shot dead a 20-year-old clerk near Alicante. It was learnt here today. He was the first person to die in a clash between demonstrators and police during the reign of King Juan Carlos.

The victim, Señor Teófilo del Valle Pérez, was killed in the shoe manufacturing town of Elda, about 22 miles from Alicante, at approximately 11.15 pm last night after an unauthorized assembly of striking leather workers.

Armed security police stood by but did not interfere with the assembly. However, according to an official statement, they went into action later, counter-attacking demonstrators who threw stones at a police bus when the detachment was leaving to return to its headquarters in Alicante.

The official statement alleged that the security police opened fire "when some shots were heard". Nevertheless, no evidence has so far appeared to indicate that anyone but the police carried firearms or that any shots were fired by anyone but policemen.

The Government further alleged that the dead man and two of three other men associated in the clash had criminal records. In the case of the man killed by police, the official statement said that he had been a "disorderly life" and had been arrested previously in Madrid "apparently as a member of a gang of drug traffickers; 7.35 kilos (16lbs) of hashish which he had hidden in a 'safe house' were confiscated."

The statement did not say whether the man had ever been convicted of any crime; nor did it say whether any disciplinary action would be taken against those responsible for his death.

This morning, only hours after the fatal shooting, a Madrid court indicted two journalists on a charge of libelling a leader of the extreme Right, Señor José Antonio Girón, a former Franco minister.

The two charged were the director and the former editor-in-chief of the weekly magazine, Señor Alfonso Sobrado Falcó and Señor Miguel Ángel Aguilar. Señor Aguilar was a former member of the editorial staff of the evening newspaper Madrid which was put out of business by the Government when Señor Manuel Fraga, the present Interior Minister, was General Franco's Minister of Information and Tourism.

The Public Order Court, which deals only with political offences, today indicted Señor Sobrado Falcó, a self-confessed member of the national coordinating committee of the Moscow-oriented Spanish Communist Party. He had already been fined in pesetas (27,510) without trial for the same offence in 1974 when he said he had no funds to pay the fine.

Airline food blamed for boy's death

From Our Correspondent

Madrid, Feb 25

Tainted food served on board a Spanish charter airline killed a Finnish boy aged five and made over 100 other passengers sick, it was confirmed here today.

A Spanish Government note said the illness affecting passengers of Spanair, one of Europe's biggest charter airlines, was caused by poisoning from food served on board.

While the note spoke of "various passengers" and only one flight from Helsinki to Las Palmas, Spanish newspapers alleged that as many as 110 people were taken seriously ill and that two other Spanair flights may have been affected. The other flights originated in Germany, Spain, and Italy, and arrived in the Canary Islands.

The flight which carried the child, who died apparently arrived in Las Palmas last Saturday.

With myocardial and non-bacterial gastroenteritis and high fever on the list of suspected items, an investigation is under way. The Spanair catering centre in Las Palmas, where the high season opens in May, has been closed, and the airline has announced that they will pay medical bills of the sick holidaymakers.

Mr Guy's senior officials recently observed the arts budget had progressed from the "catastrophic to the tolerable". But it still only represents 0.5 per cent of the total French budget, and less than half of what the state will spend on youth and sports this year.

The question being asked in art circles is whether for a very small relative increase in government spending France could

not shine a good deal more brightly in the museum sector, exploiting after Italy, probably Europe's greatest artistic heritage.

But M. Guy put the staff shortage in a more urgent context: the need to protect the art treasures from the present wave of art thefts.

The minister criticized the amount of publicity given both to high prices in the art market and to the thefts themselves, and appealed to journalists to reduce the amount of publicity "in the interest of art."

The minister confirmed his plans to create a Picasso museum in Paris, based on the family donation and a nineteenth century gallery (including the Impressionists) in the former Gare d'Orsay.

But, he said, the sums he had allocated for purchasing the state in 1976 had to be spent on offsetting the effect of inflation on the salaries of actors and musicians in state theatres.

OVERSEAS

S African Air Force saves Portuguese refugees in Angola

From Richard Cecil

Periferia d'Elca

Angola, Feb 25

In this village in Southern Angola I saw a C130 Hercules aircraft of the South African Air Force leave with one of the first "cargoes" of refugees for Groenfontein, in Namibia (South-West Africa), and ultimately for Portugal.

They were the lucky ones who have been cleared by the Lisbon Government representatives for emigration to Portugal. Most had waited for weeks, some for months, and they undoubtedly owe not only their lives but also their good health to the South African forces which occupied the village.

Few of the people now in Pereira d'Elca knew it two months ago. Few of its original inhabitants would recognize it now. It was shattered by a brick battle which I would judge from the scars, was fought about three months ago.

It lies about 30 miles north of the border with Namibia in flat, humid bush country and is now the home of about 6,000 refugees, 90 per cent of them white or part-white Portuguese stock.

They escaped with South African help from So da Bandeira, a small town about 230 miles to the north. About half the refugees have squeezed into the remains of the village houses.

However, some buildings are so fouled by Union for Total Independence (Unita) occupation that the Portuguese have opted for shelters against trees, trucks and even cars improvised through lack of fuel. The cars, in most instances, the only possession they were able to take with them.

I have also seen the first three-mile road convoy of refugees in their own cars and families leaving for Groenfontein under South African armoured car escort. By air and by road, the South Africans hope to have moved out most of those who qualify for emigration to

Portugal by early next week.

The fortunes of the European refugees from the moment the African forces began to draw from southern Angola at the beginning of January.

They left their homes in So da Bandeira, Benguela, a small town about 100 miles from the Portuguese border, under African protection, the time since the beginning of the war that they were from attacks by the warring factions.

Since then their health has been tended by South African troops and recently by the Portuguese Red Cross in a small just north of the South African border, while the Angolan Government has decided upon, and the Portuguese National line from Groenfontein to Lisbon has begun. They are simple.

All white Portuguese, husbands and wives of white Portuguese grandsons are acceptable.

The main in charge of selection in Pereira d'Elca, Senhor Sergio Lemos, official Portuguese Government representative and a military attaché in Pretoria, explained his policy to me. "The whites or part-whites," he said, "and the blacks," some either born in Portugal or of Portuguese ancestry, or asked for permission to go to South Africa.

The South Africans say they have absorbed about 11 Angolans who have met the minimum requirements of having a language and a reasonable standard of education. They expect to accept a few more Africans before the operation ends.

Greenhill mission attacked by Rhodesia ANC faction

Continued from page 1

people in this area to be on the alert against possible attack.

There is real concern in official circles about the possibility that the nationalist guerrillas or "terrorists" as they are known in Salisbury, may launch a big offensive in this area during the next few weeks.

At present there are believed to be only about 700 guerrillas inside the country, but several thousands are being trained in camps just across the border. They are thought to be well armed and better trained than previously.

There is a real possibility that Rhodesia could soon find itself involved in a direct confrontation with Mozambique, particularly if the forces order take strikes against the guerrilla bases. Earlier this month President Samora Machel said that Mozambique would retaliate.

It is against this increasingly tense background that Lord Greenhill will begin his talks tomorrow. He is expected to see Mr Smith in the morning before the Rhodesian leader resumes his negotiations with Mr Nkomo. Lord Greenhill will have separate talks with the ANC leader.

The external wing of the ANC headed by Bishop Abel Muzorewa today condemned the Greenhill mission as "irrelevant". The Rev Max Chigwada, the acting publicity secretary, said Britain had "no useful role to play in the liberation of the

majority peoples of Zimbabwe (Rhodesia).

Meanwhile, in Parliament, Smith today denied newspaper speculation that he would resign. Asked by an African MP if he would make any further moves to end the guerrilla war, he replied that the government "evidently hoping for a Prime Minister who would capitulate to the demands for immediate black rule, I regret to appoint the hon member who has no intention of resigning."

Also in Parliament, Mr Broomberg, the Minister for Information, accused a British company of spreading stories in the South African press about the situation.

There was irrefutable evidence, he said, that a London-based company was spreading interests in Africa had passed the English language in South Africa, and in particular Mr Serfontein of Johannesburg Sunday Times, print "scare" reports on Rhodesia in an attempt to "destroy the spirit of the Rhodesian people and to bring about immediate majority rule."

Tonight the minister said company he was referring was Lonrho, the mining and industrial conglomerate with chief executive is Mr "D" Rowlands. Lonrho has a mining interest in Rhodesia and Zambia, and two per cent connected with the company.

Tim Curtin and Mr Wright, have been assisting Nkomo in his negotiations with Mr Smith.

Moynihan successor a liberal

From Our Own Correspondent

Washington, Feb 25

Mr William Scranton, former Republican Governor of Pennsylvania, and close associate of President Ford, was today nominated to be the United States Permanent Representative to the United Nations, succeeding to Daniel Moynihan, whose confirmation is expected to be a formality.

Mr Ford, announcing the appointment, said Mr Scranton would carry on the job of "standing up for the United States against unfair attacks."

Mr Scranton is perhaps best remembered internationally for recommending that United States Middle East policy be "even handed". He was so in 1968 when he was President-elect Nixon's special emissary to the Middle East. The remark caused a furor and was repudiated by Mr Nixon. Eight years later that policy has come to pass.

Mr Scranton was a liberal Republican contender for the full in 1968. He was a member of the so-called "transition team" that planned and executed the switch to President Ford when Mr Nixon resigned.

Another senior staff change affecting the Middle East, Mr Joseph Sisco, Under-Secretary of State for Political Affairs, has announced that he will resign in July to assume the presidency of American University in Washington.

Mr Sisco was Dr Kissinger's right-hand man on Middle East policy, and his departure may be taken to indicate that there is little prospect of further progress in Middle East negotiations until after the presidential election.

Cuba urges UN action over Africa

From Our Own Correspondent

New York, Feb 25

Cuba has called for "fuller and more effective" national action "in order to overthrow and eliminate colonialism and racism in Africa."

The Cuban call is embodied in a letter to the United Nations from Dr Ricardo Alarcon, Cuba's ambassador to the UN, and a letter to the UN Secretary-General, Mr Waldhaug, on the plight of African refugees, and it makes a "serious attack on South African policies in Angola, Namibia (South-West Africa), and South Africa itself."

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SMALL IS HARMONIOUS

It is striking that by this measure coal mining is at the top of the list by far. Indeed, if coal mining, docks and motor vehicle manufacturing were excluded from the calculations, the figures for working days lost for British industry as a whole would be improved out of recognition.

Even with such qualifications, however, it is still clear enough that increases in the number of workers in one place and under one direction bring with them managerial and social problems that have been gravely underestimated in the past. It is too facile to say that all would be improved if large labour units were broken up. But it is fair to say that when industrial planners and accountants have calculated the financial and other benefits from the economies of scale of large-unit production, they have tended to ignore the very real costs that are associated with the poor industrial relations that are the almost inevitable consequence.

THE FIRST OF THE PRIMARIES

President Ford's victory in New Hampshire is hardly a ringing endorsement from a grateful electorate. But there are times in politics when any victory, no matter how narrow, may serve its purpose. So it may prove on this occasion. The margin of victory is humiliatingly small for a sitting President, but Mr Ford's inexperience and the feebleness of the campaign waged on his behalf in New Hampshire were all too obvious. So too was Mr Reagan's appeal in that state. He had an effective campaigner who worked hard there for some time. He had the enthusiastic support of the Governor and the state newspaper. New Hampshire Republicans are renowned for their craggy right-wing views. It was therefore the ideal state for Mr Reagan to begin his challenge and there was a strong possibility that he might inflict outright defeat on the incumbent.

That he has not done so is the significance of New Hampshire. Mr Ford has escaped disaster, though he has not by means assured himself of the public nomination. Sitting Presidents need to do far more to escape disaster in the

L-CONSIDERED CUTS IN DEFENCE

The House of Commons Expenditure Committee's report on the Defence Review is an important document which enhances the reputation of the Defence and External Affairs Committee as a public utility in this area. It is to be hoped that it will have as much impact inside the Ministry of Defence as it is likely to have outside. Some of its findings can only be ignored. Among these is the call for an urgent review of the Royal Navy's anti-submarine programme which is already showing the tell-tale signs of straining delays and escalating costs. Still more timely are the findings that the inter-continental version of the Multi-Role Aircraft, the committee's similar questions two years ago, and is still unmet by the response. A decision on whether to proceed with development of the aircraft the RAF is now very close.

The committee's most important comments are those on

Socialism and cooperatives

Mr Paul Derrick
Mr Ronald Butt seems to think socialism involves the nationalisation of the productive resources of the country; but Clause Four of the Labour Party constitution has nothing to say about nationalisation and Marx envisaged that the state would wither away.

A Labour Party constitution for the "common ownership" means of production, distribution and exchange; and the extraordinary thing is that for more than 20 years the party has paid hardly any attention to the question of common ownership. The Labour Party's last election manifesto did not say a word about common ownership. A Labour Government would do a Co-operative Development Agency but little has been heard of this proposal since from government.

At March Dr Jeremy Bray did use in an amendment to the Labour Party Bill that the National Board should be set up to convert any company employing more than 200 people into a co-operative if a majority of workers wanted it. Last December Mr Peter Jay argued in a report that the organization of production on a co-operative basis would make an important contribution to the overall economy. Next month an Industrial Common Ownership Bill will be introduced to convert companies into co-operatives or to give them the right to be run for private profit.

Labour Party calls for an extension of National Enterprise Board holdings in capitalist companies but this is hardly the same as extending common ownership to the companies concerned. The Government is calling for other restrictions on wage in-

creases, for less welfare and for higher profits; and it is odd that it does not recognize that these things would be more likely to be acceptable to trade unionists if capitalist ownership were replaced by common ownership and production were organized in the kind of way pioneered by Robert Owen at New Lanark, where in the interests of the workers and the community instead of for the profit of private shareholders.

This would not involve the centralization and bureaucratization of the economy; but it would tend to increase incentive and productivity. A move in an Owenite or cooperative direction would also improve the Labour Party's prospects of achieving a working majority at the next election and turning its socialism from an electoral liability into an electoral asset.

Yours faithfully,
PAUL DERRICK,
Robert Owen Association,
30 Wandsworth Bridge Road, SW6,
February 19.

Closure of Hafod Meurig

From Lord Hunt and others
Sir, We wish to draw attention, through your columns, to one of the more serious social effects of inflation. This is the permanent nature of the damage it can cause to work sponsored by voluntary bodies, particularly to those of a pioneering character. We offer as an example an outdoor pursuits centre in Snowdonia maintained by the Rainer Foundation, a body which has initiated many reforms in the treatment of young offenders. As the former London Police Court Mission it was among the innovators of the probation service itself.

Hafod Meurig was established in 1963 for boys on probation whose offences stem less from criminality than from lack of achievement and opportunity for normal social development. Under the skilled guidance and care of specially qualified staff the centre helped

The moral is that more attention should be paid to these costs in future when balancing advantages and disadvantages of plant size. Further, where large organizations can be broken down into smaller, but rational, operating sections, the case for doing so in the interests of raising morale and improving personal relations is a strong one. It is common sense that people relate more harmoniously to a small unit, with which they can identify, than with some anonymous institution which has no call on their personal loyalty. And the incidence of strikes is almost always only a measure of morale. In cases where no such course of action is practical, for technical reasons, or because the other benefits of scale are so overwhelming, there is every reason to provide an internal structure that creates the impression and feeling for the individual employee that he is part of a unit to which he can have some loyalty.

shining strongly on him. He is an energetic and personable campaigner, but the question would be whether his somewhat equivocal policies could stand that scrutiny. Mr Udall may not seem so well placed but he has done well enough in New Hampshire to remain very much in the race.

If none of the primary campaigners comes through strongly enough to arrive at the convention with the air of a winner, the Democrats can be expected to look to some leading figure in the party behind whom they could unite. It is at that point that Senator Robert Humphrey's opportunity would come. The write-in vote for him in New Hampshire was unimpressive. But while his chances would have been further improved by a demonstration of popular support it would be mistaken to conclude that such support does not exist so long as he stands high in the opinion polls. His prospects depend upon two factors: nobody emerging from the primaries as the great Democratic hope and continued good showing in the polls. The one lesson of New Hampshire that applies equally to Democrats and Republicans is that 1976 promises to be a race of unusual excitement.

ments the Ministry of Defence, if rather grudgingly, on conducting its cost-cutting exercise in a responsible way. But the review can still be regarded as a negative operation, fought out between the cutting of defence at any price and the Right who are equally committed to resisting. The result is often a compromise which fails to satisfy either, causes hardship to many and contributes comparatively little to the national economy as a whole.

Since the Defence Review the Government has made yet another incursion into defence spending for the years 1977-80. This lies outside the scope of today's report and will be scrutinized by the House of Commons committee at a later date. To use conventional jargon this latest reduction is going to affect the "tail" rather than the "teeth" so is unlikely to deepen the subcommittee's anxiety over the state of Britain's defences. But its structures on short-term cuts which erode confidence and satisfy no one in particular are apposite.

many young people to gain self-confidence and stability. The courts and social services have benefited from valuable reports on boys' behaviour. The centre also provided training for probation officers and social workers in the techniques of outdoor activities with difficult children and was the only one of its kind in the country. Costs were met from voluntary funds of the foundation and fees from local authorities. Over the years of the centre's existence the foundation has contributed nearly £200,000 but inflated costs have now made it impossible for this to continue. Since the Children and Young Persons Act, 1969, came into force local authorities have been responsible for providing funds for this type of activity.

The economic crisis and a sharp decrease in the amount of local authority funds available for immediate treatment have brought about the closure of Hafod Meurig although the need for such facilities has never been greater. It does not make social or economic sense that a system which continues to support conventional forms of institutional treatment which are both more expensive and less effective cannot sustain one of the few promising alternatives.

Surely the case for places such as Hafod Meurig is made out by the depressing failure rate for delinquents and the clamour by a growing body of informed social work opinion for more preventive measures envisaged in the 1969 Act. We would therefore urge a bold reconsideration of current priorities in the allocation of funds for the treatment of young offenders.

Yours faithfully,
JOHN HUNT, President,
Rainer Foundation.
GWILYM CAMBRENSIS,
Chairman, Board of Governors,
Hafod Meurig.
MICHAEL KING, Chairman,
Rainer Foundation,
89A Blackheath Hill, SE10.

Closed shops in journalism

From Mr Michael Squire
Sir, Throughout the debates on the Trade Union and Labour Relations (Amendment) Bill, which will remove legal safeguards for individuals within closed shops, the Opposition parties have stressed the threat posed to the freedom of the press. Should the Bill become law, it would be possible for the National Union of Journalists (closed shop) in such terms that it could jeopardize the access to the press of outside contributors and the public at large; interfere with the rights of editors to commission and publish articles from the widest possible range of sources; and lead to the distortion of stories.

The decision of the Barnsley branch of the National Union of Journalists to ask various news sources to refuse to cooperate with journalists outside their membership, particularly on the local papers (reported in your columns on Wednesday, February 18) indicates in a very disturbing manner the potential extent of this threat.

First, it is a timely reminder that the National Union of Journalists does not control local papers. What are the good intentions of the NUJ as a whole and to present they are opposed to the introduction of a closed shop in journalism—branches may seek such agreements covering particular papers or areas. Secondly, it shows that some union members are willing to try to keep important information from reaching the papers in their efforts to keep out non-union contributors. In this case, they are trying to stop non-union or other union journalists getting information from the local council and trades council, but the principle could equally apply to the deliberations of different bodies, including Parliament itself. Thirdly, as the local paper is evidently willing to take such censoring action so its efforts to establish a closed shop, it can only be concluded that they would do so should a union membership agreement be conceded.

Clearly, newspaper proprietors must fight such attempts to bring in closed shops. In this connection, recent forays by some union membership agreements must cause concern. Under section 30 of the Trade Union and Labour Relations Act, a union membership agreement (permitted closed shop) is defined in such a way that it includes arrangements for the payment of a "closed shop" fee. Such an agreement could arise—even where there was no such intention on the part of the employer—so circumstances where, for example, all employees happen to be members of the NUJ. This could come about without the employer even knowing.

In this light, the Government's proposal of a Code of Practice enforceable by law, can now be seen to be the sham and totally bogus protection which we have always maintained it to be. There is still reason for the Government to amend the Bill to give legal protection to press freedom and to ensure that closed shops may not arise without a clear intention on the part of both employer and unions. One might think these latest developments reason for the Government to do so. I am afraid though that the conclusion is becoming inescapable. The Government does not care about press freedom. I hope you and your readers do.

Yours truly,
JIM PRIOR,
House of Commons,
February 20.

The press and Ulster

From the Chairman of Mirror Group Newspapers
Sir, The intemperate outburst of an unnamed Army colonel which you published yesterday (February 24) in the Daily Mirror of publishing stories to attract "republican readers".

The absurdity of this accusation is clear when it is remembered that five years ago, the Daily Mirror's £2,000,000 plant in Belfast was blown up and totally wrecked by an IRA group.

But more important is the suggestion that journalists in Northern Ireland are subjected to editorial and commercial pressures. I have the assurance of the Daily Mirror editor and the chief reporter in Belfast, that this suggestion is grossly untrue.

Yours faithfully,
EDWARD PICKERING, Chairman,
Mirror Group Newspapers,
Robinson Circus, ECL,
February 25.

From Mr James Cameron
Sir, Since it would seem from Mr. Fisher's note today (February 24) that the Army in Northern Ireland holds the press in such derision and contempt it seems surprising that it goes to the length of forging press credentials in order to disguise itself as a bona fide journalist.

What by the way, happens to a reporter who forges a military ID card, or masquerades improperly in Army uniform?

Yours, etc.,
JAMES CAMERON,
16 Blenden Road, W12,
February 24.

Politicians' language

From Professor R. V. Jones
Sir, What is happening to the standard of our public language? We have to suffer a Prime Minister who has said on television that there are some people who he would like "to kick in the teeth". And now we have a Chancellor of the Exchequer who, if he has been reported correctly has described some of his critics as "not of their tiny little Chinese minds".

Whatever the provocation, and whether or not this remark contrasts with the Race Relations Act, nothing but its inanity saves it from grossly insulting a people that has contributed tremendously to human thought and progress.

Yours faithfully,
R. V. JONES,
As from: 8 Queen's Terrace,
Aberdeen,
February 24.

Case against compulsory seat belts

From Mr Michael Squire
Sir, It was sad to read of the lack of acceptance of the real issue on the present seat belt controversy. This is not of statistics to prove that overall there may be some life saving advantage from wearing restraining devices; but rather to show that these protective appliances can, in fact, increase the risk of serious injury or death in many cases.

We have for many years assessed the injuries at a large, busy accident department, and realise that restraining harnesses are of course becoming more efficient.

The harmful factors concerned depend on the type and structure of the car, the type of seating, and the particular physique of the driver or passenger involved in the accident.

It is quite wrong that penalties should be imposed for failing to obey an illogical mandate to wear restrictive appliances which may cause more hazard than protection.

In my personal driving circumstances, I know that any existing restraint would cause a greater hazard of injury to myself in a serious accident. I could not comply with such an edict.

Yours faithfully,
MICHAEL SQUIRE,
Barnes Hospital,
Reading.

From Mr John Primrose
Sir, Mr A. J. Durie of the AA puts forward (February 23) the case for wearing seat belts. One wonders, however, why it should be necessary to make their wearing compulsory. There is no doubt that in certain types of accident they can save life. There is also no doubt that in other types of accident they may cause loss of life, and I am not thinking here of belts which are of poor design but of cases such as fire where quick escape from a vehicle is essential. What should someone do who has a public liability or fire-break the law or give up travelling by car?

I have been approached, as an eye surgeon, to support campaigns for the compulsory wearing of seat belts by many serious injuries from car accidents are to the face and eyes from fragments of windscreen glass (and emotive pictures have been shown on the media of the sort of thing we have to try to repair), but I am of the point of view that the enforcement of a law which is not much of a protection against flying glass fragments, is not so important nor so easily enforced as would be the fitting of laminated windcreens. Such windcreens do not shatter into fragments. Their use is compulsory in far more countries than enforce the wearing of seat belts. If only their fitting in all new

Anglican doctrine

From the Rev Dr E. L. Mascall
Sir, Canon Baile's chivalrous attempt to rescue his colleague Dr Wiles is less than convincing (February 21). Wiles's refusal to say that he believes God to be one in three persons is not because "theology is hardly borne out by his writings." One might, however, have supposed that a professional dogmatic theologian who is also Chairman of the Church's Doctrine Commission would have viewed his function and that of the

EEC election candidates

From Sir Geoffrey de Freitas
Labour MP for Kettering
Sir, Letters (Hk) that of Mr John Giverson (February 14) may discourage some candidates from standing for election to the European Parliament by wrongly emphasizing the need for candidates to "speak fluently at least one continental language." Of course it makes it easier and pleasanter to speak one or more of these languages and among 18 of us on the Labour Group in the Parliament several members speak French, two speak German and some Italian and one speaks Dutch, Danish, Dutch, English, French, German and Italian are our official languages. In the Parliament and on its committees members speak in their mother tongue and it is necessary for nearly all of us to wear headphones nearly all the time and to follow what is said through the very good interpretation. Furthermore, all official languages are printed in the six official languages.

Mr Giverson is confusing the practice of other parties of the EEC with the practice of the Parliament. I spent most of last week with headphones on in Strasbourg at the Parliament's monthly session and am writing this flying back from Brussels where I have spent two days on committees. The chairman of one of my committees speaks at least three official languages fluently but she spends a good deal of her time with her headphones on. It was not her languages but her ability which caused her to be elected chairman.

If Greece, Norway, Portugal, Spain and Turkey join the Community we can be certain that all these new members of Parliament will be forced by linguistic nationalism to speak only in their mother tongue. So it will continue to be headphones for all and no real advantage to have a knowledge of other languages although it will always be an additional pleasure.

Please Mr Giverson, do not discourage candidates by suggesting qualifications which are not essential.

Yours faithfully,
GEOFFREY DE FREITAS,
House of Commons.

cars were started in this country much of the fake and eye injuries would be avoided. Also, one wouldn't have to go for a foreign production car to have such glass as a matter of course. When I asked for such a windscreen in my last British car, all that was fitted was a Zebra zone and, as it was only three years ago, Yours faithfully,
JOHN PRIMROSE,
Oldchurch Hospital,
Romford, Essex.

From Mr M. J. Lunn
Sir, May a small voice be raised in the argument surrounding the compulsory wearing of seat belts? There can be few of us unconvinced by the statistics and data showing that in the great majority of crashes the wearing of seat belts reduces the incidence of serious injury. This is because the great majority of crashes involve a sudden change of momentum in the direction of travel (head on collisions, motorway shunts, hitting stationary obstructions and so on). There is, however, a small number of accidents where a vehicle is hit from the side and the wearing of a seat belt prevents it being occupant from being flung across the car, clear of the area being crushed (an area, incidentally, not normally as well strengthened against impact as the front and rear). Whereas the evidence tells us that such accidents are relatively uncommon, the idea of being compulsorily put at risk is distasteful, particularly to me who, bad this Bill become law 5 years ago, would now be a widower.

Yours faithfully,
MICHAEL LUNN,
18 Ridge Hall Chase,
Caversham,
Reading.

From Mr Donald Wood
Sir, The Director General of the Automobile Association brushes aside what he calls "emotive" arguments about personal freedom and mentions the burden thrown on society by non-wearers. There are, however, many serious injuries from car accidents are to the face and eyes from fragments of windscreen glass (and emotive pictures have been shown on the media of the sort of thing we have to try to repair), but I am of the point of view that the enforcement of a law which is not much of a protection against flying glass fragments, is not so important nor so easily enforced as would be the fitting of laminated windcreens. Such windcreens do not shatter into fragments. Their use is compulsory in far more countries than enforce the wearing of seat belts. If only their fitting in all new

I am yours sincerely,
DONALD WOOD,
Oaklands,
Dorset, Herefordshire.

Commission in more constructive terms.

Analysing as they are, the contributions of Dr Wiles and his supporters, redolent as they are of the Theological Liberalism of the nineteenth century, are not entirely typical of the Commission as a whole. The essay of Mr J. A. Lucas, Canon C. P. M. Jones, Dr H. E. W. Turner and Canon A. M. Allchin, written from a wide variety of specialist studies, show an attitude which is far more respectful to the great Christian tradition and more realistic in its approach to the spiritual and intellectual concerns of the present day. Attempts have already been made to gloss over the seriousness of the doctrinal changes that the report reveals; traces are even visible in the report itself. Thus it has been suggested that it does not matter that there is disagreement about what we believe, since there is virtual agreement about how we believe: to which example of paying over the cracks one can only reply "Doesn't it?" and "Is there?"

I remain, Sir,
Yours obedient servant,
E. L. MASCALL,
20 Bourne Street, SW1,
February 21.

The Russell case

From Mr A. J. R. Collins
Sir, In your obituary notice of Christabel Lady Ampthill published on February 18 you referred to the change in the law brought about by the Judicial Proceedings (Regulation of Reports) Act 1926 whereby only the pleadings and the judge's remarks in a divorce case can be published. The history of this Act is pertinent and interesting.

The founder of my firm, the late Sir John Withers, served for Lady Ampthill throughout the protracted proceedings which culminated in her victory in the House of Lords. Sir John felt most strongly that the most private and intimate details of her life should not be made public and the subject of news and comment day after day in the popular press. He tried hard to induce the Council of the Law Society to support that view. When, perhaps not surprisingly, that body refused, he helped Sir John, then MP for Cambridge University, resigned from the society and personally promoted the Bill which eventually became and still is the law.

How grateful the contestants in the present divorce case would doubt be if the Act had covered proceedings before the House of Lords' Committee of Privileges.

Yours faithfully,
ARTHUR COLLINS,
Withers,
20 Essex Street,
Strand, WC2.

Minimal Art

From Mr Laurence Whistler
Sir, Anyone who thinks that with Minimal Art we have reached a kind of end may be indulging in wishful thinking. At least two more developments can be foreseen. Micro-minimal art: an almost empty gallery with just one or two works, on the floor in one corner, folded neatly. (Social Criticism—good all sorts of exciting relationships and spatial tensions). Beyond that, a quite empty gallery, devoid of "conceptually" to the Object Perdu. A feast for the free imagination.

Somewhere else, if Realism comes round yet again, the Emperor's Conqueror would be a permanent asset.

Yours faithfully,
LAURENCE WHISTLER,
Little Place,
Lyme Regis, Dorset.

The Church and the Midland Bank

From the Bishop of Chester
Sir, As a Church Commissioner I would be grateful if you would allow me space to dissociate myself from that body's press release of February 23 concerning investments in South Africa by the Midland Bank. I must declare an interest in that while possessing no shares in the bank I was happily and profitably employed by that great financial institution from 1933 until the outbreak of war.

The organisation of industrial and international finance and investment today is of such an intricate nature that the singling out of one particular institution for a campaign of victimisation appears peculiarly odious and unchristian to me. Anybody with the slightest knowledge of these matters will know that between international investment, money and euro-currency markets, multi-national corporations and building and subsidiary companies it is literally impossible to acquire even our own everyday actions from "investment" in any particular country of the so-called free world.

Would those Church Commissioners and others who pledge support for a resolution before the Bank's annual meeting calling for a cessation of all loans to the South African Government, please consider their own personal relationships to South Africa? Do they still eat fruit and vegetables from South Africa? Do they cast away the gold and diamonds of their personal adornment? Do they inquire of the wool content of their suits? Do they turn off the television and electric light because of the metal content emanating from South Africa and do they remember the quite disproportionate loss of life and limb by South Africans helping us to preserve our way of life in two world wars?

If the Church Commissioners or indeed any other shareholders disagree with the investment policy of a company there is a simple answer—sell your shares. Dubious acts of selective piety which cost nothing are an offence to reasonable men—it is as if good works may be done by proxy.

I am, Sir,
Your obedient servant,
VICTOR CESTR,
Bishop's House,
Chester,
February 23.

Liberal Party finances

From Mr Philip Watkins
Sir, Your contributor, Ronald Butt, persists in his misrepresentation of the finances of the Liberal Party.

In his article last week he correctly states that the published accounts of the Rowntree Trust for 1974 showed payments of £79,147 for political purposes to the Liberal Party. But he infers, erroneously, apart from grants of £50,000 for the two general elections, this leaves a total of £29,000 for central purposes in London.

The Trustees have properly complied with the provisions of the Companies Act in publishing details of payments made for Liberal Party purposes. But the Liberal Party is more than a presence in London or a national headquarters, and it is wrong to assume, as Mr Butt does, that these payments were made in the Liberal Party treasury.

In fact, the total sum of £75,000 mentioned in my last letter, on part of the total of £29,000 was paid to the Liberal Party Organization, or any body over which the organization has financial control. I have ascertained that the sum represents grants to a wide variety of individuals and organizations throughout the country, and none were paid towards the annual running expenses of party headquarters.

Mr Butt adds, specifically, that the Trust paid for the party's press and research officers. This is not so. The party paid out of its own resources for these two officers. I think Mr Butt may have in mind two members of the staff of the Liberal Party; but these, of course, are not the press and research officers. This is not so. The party paid out of its own resources for these two officers. I think Mr Butt may have in mind two members of the staff of the Liberal Party; but these, of course, are not the press and research officers. This is not so.

Yours truly,
PHILIP WATKINS,
Vice-President of the Liberal Party,
The Liberal Party Organization,
7 Exchange Court,
Strand, WC2.
February 23.

The GLC budget

From Mr Iltud Harrington
Sir, Your political columnist George Hutchinson is of course entitled to pursue his vendetta against the Greater London Council, but if the Head of News of the BBC is getting angry, that body refused to help Sir John, then MP for Cambridge University, resigned from the society and personally promoted the Bill which eventually became and still is the law.

How grateful the contestants in the present divorce case would doubt be if the Act had covered proceedings before the House of Lords' Committee of Privileges.

Yours faithfully,
ARTHUR COLLINS,
Withers,
20 Essex Street,
Strand, WC2.

Sea food

From Mr W. G. Teagle
Sir, I refer to your Science Report of February 23.

Pearce Wright is wrong, Sir. He's tried to disgrace me. He reported on molluscs. And called them Crustacea! Yours faithfully,
W. G. TEAGLE,
41 Bell Street,
Swanage, Dorset,
February 23.

In this Special Report Peter Hill, who recently visited Finland, looks at the growth of the shipbuilding industry. He also comments on the prospects for the highly specialized yards, which produce a variety of vessels from icebreakers to oil rigs

Finnish shipping

Industry confident in ability to innovate

They are building a ship called the Finnjet in a dock at Helsinki. In a few months time the Finnjet will be based out of the building dock for fitting out in readiness for her maiden voyage as the end of May next year. Her progress will be watched with considerable interest by the international shipping fraternity for the Finnjet represents, as Con-

corde does in the ship, a whole new era of sea travel. The Finnjet project symbolizes the confidence of the Finnish shipping industry in its ability to innovate successfully. At the same time it represents the results of years of intensive specialization in ship design by Finnish shipbuilders who have concentrated successfully on the types of ships that other nations have found unprofitable to build.

Certainly the project is a bold one. The Finnjet is designed to transport up to 532 passengers, together with a number of cars and cranes between Helsinki and Travemünde in northern Germany every 22 hours at speeds of up to 30 knots. She will cost 200m Finnmarks and that includes the price of the Pratt and Whitney gas turbine engines which will produce up to 5,000 hp to drive the ship through the waters of the Gulf of Finland.

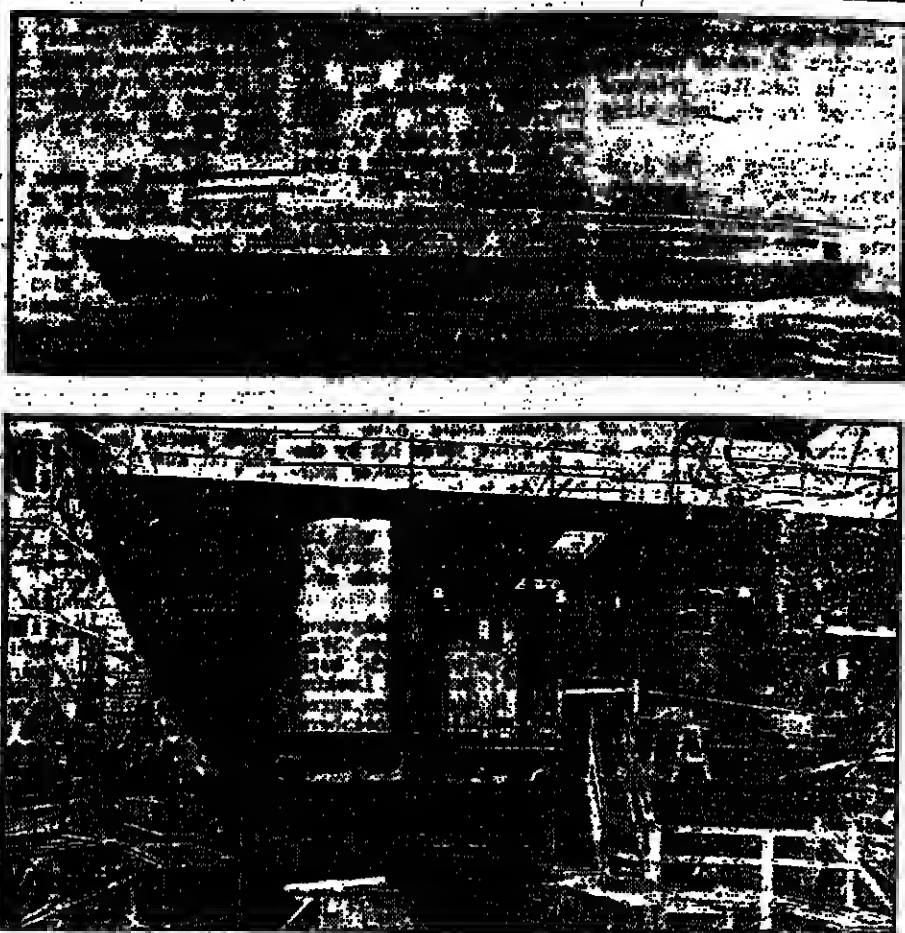
She is not a particularly attractive looking ship—at least from the model which stands in the offices of her builders, Wärtsilä—with her boxy hull and flat deck contrasting sharply with the angular lines of the hull. But her shape is the result of several years of intensive research work into what would be the best form of passenger transport for the Atlantic trade in the 1980s.

Finnjet will be the first ship of her kind to be powered by gas turbines which, until now, have been confined largely to naval ships. She will cut the journey time dramatically between the two ports and will replace, between three and four other ships, providing not only savings from reduced time in port but also substantially reduced crew costs.

It was inevitable that the Finnjet should have been conceived in Finland which has established itself as a pioneer in sectors of the market which other shipping nations have chosen to ignore. This policy has ensured that Finland has maintained a steady position on the international shipping scene with a merchant fleet of about three million tons dwt and a shipbuilding industry which accounts for about 1 per cent of world deliveries—sufficient to place the industry about fifth in the international league table.

At a time when the world's shipbuilding industry is in the throes of its worst crisis since the 1930s, with demand almost nonexistent, with competition for the few orders that are available subject to vicious price cutting and the need for a massive cutback in shipbuilding capacity worldwide, the Finnish yards find themselves in a much less exposed position.

Last year Finnish yards delivered 57 vessels with a total deadweight tonnage of 313,105 tons, a record level, and the industry's order book stretches forward until the end of next year with an excess of 1,600,000 tons dwt moves into ports across the world. The order book is due in no small measure to the Finnish shipbuilding industry. The Soviet Union has no less than 54 vessels on order in Finland with a total tonnage of 376,467 tons dwt and all are specialized vessels ranging



The passenger ship of the future, brainchild of Finnish designers, contrasted with routine work of the country's yards. Top: an artist's impression of the passenger/car ferry Finnjet. Left: icebreakers under construction in the Wärtsilä yard, Helsinki. Right: an oil-drilling platform at the Mäntyluoto works of Rauma-Reppola near Pori.

Close on 95 per cent of the industry's order book is for export and about half the total is destined for the Soviet Union, which has become Finland's largest single export market and a valuable customer for the country's shipbuilders. The expansion programme in the immediate postwar period under which Finland was required to provide Russia with close on 600 merchant vessels, of all shapes and sizes. This special relationship has ensured a steady base-load of work for the yards which will most certainly continue, but it is now being tested as never before as other shipbuilding nations compete for Russian orders forcing the Finns to lower their prices too.

Unlike other shipbuilding nations, Finland has not been hit by a flood of cancellations—the industry has lost only one order for a 150,000-ton dwt tanker. But with only one new order placed in the final quarter of last year and none in the third, Finnish yards are scouring the horizon for new work and some will need orders in the first half of this year to ensure that their facilities are fully employed.

Against the international trend, the Finnish shipbuilding industry receives almost no support from the Finnish Government in the form of subsidy assistance. The Finns have tended to adopt a consistently hawkish posture on shipbuilding assistance which is an established feature of the industry throughout the world and yards are not exerting any noticeable pressure for a change. The extent of government involvement in the form of assistance extends to a guarantee scheme which applies to all capital goods exports—the K-guarantee—under which the Finnish Government reimburses a company with a proportion of the additional costs on a contract which has been affected by inflation.

Inflation has been a worry for the Finnish shipbuilders. Last year the country's inflation reached a level of 18 per cent. As Mr Tapio Forsgren, managing director of the Finnish Shipbuilders' Association, observed: "We are very worried about inflation rates here and their effect on our ability to quote competitively. If we cannot then this country is out of the international shipbuilding market."

At the end of January employers and trade unions finally agreed on a package of measures designed to reduce the levels of inflation, involving a five-month price freeze and pay increases being limited to a maximum of some 6.7 per cent.

The extent to which these measures are actively promoted and accepted by the shipbuilding industry's 16,000-strong labour force remains to be seen. The industry has suffered in recent years from a shortage of skilled labour as workers have been attracted by the higher rates of pay and other incentives in Sweden. Shipbuilders are finding it easier now to recruit the people they need, particularly at a time when Finnish unemployment has now grown to around 4 per cent of the total national workforce.

But the industry has not been without its problems. In 1974 strikes hit a number of yards badly, and in the Turku area, the heartland of more extreme elements of the Finnish Communist Party, there are fears that militant union leaders will be seeking to express their displeasure at the recently agreed package of measures. Meanwhile the industry has invested substantial sums in new facilities in recent years with some Fmk 1,000m scheduled for investment between 1972 and 1980. More than half of this has been taken up by two major in-



Building in a cold climate

It is only when the outside temperature drops to about -15°C that welding work in Finnish shipyards is legally supposed to stop. In the past four winters, however, the temperatures by Finnish standards have been mild so that there has been little disruption to production, although this year is proving that the traditional winter has not disappeared completely.

Most Finnish shipyards allow at least one week each year in their production planning for weather disruption, although to a large extent all fabrication work is now undertaken in heated fabrication halls.

The Finnish winter climate, however, is hardly conducive to the building of ships, considering the morning darkness and the often heavy falls of snow, but the shipyards have overcome the difficulties and production levels have been such in recent years that the industry has ranked as fifth in annual production in the league table of the world's largest shipbuilding countries.

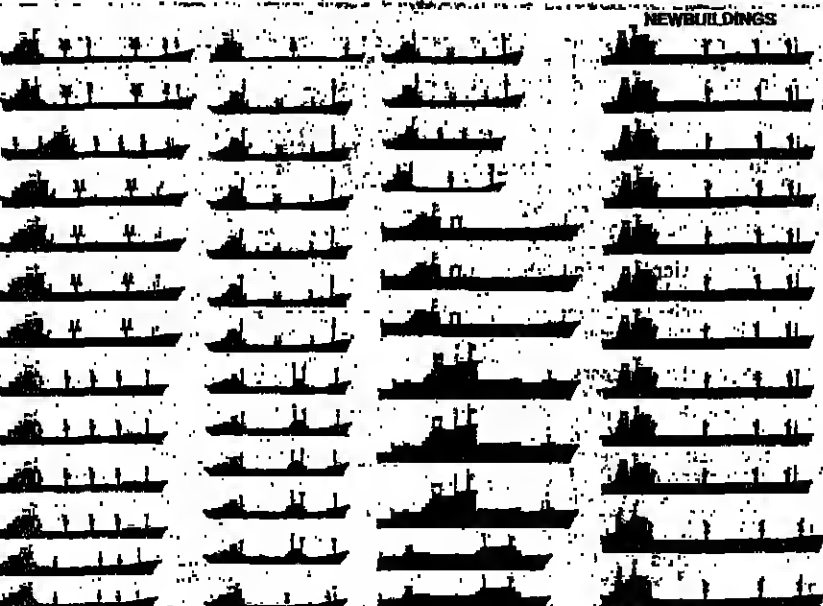
Like shipbuilding across the world, the industry has its fair share of difficulties. Not least is the need to obtain new orders to guarantee full employment of its facilities. The Finns have invested heavily in recent years and one big new facility, the Wärtsilä yard at Perno, is about to come on stream shortly. Yet there is a widely held view that, if shipbuilding is to survive, capacity world wide must be cut by up to 50 per cent.

Finnish shipbuilders are confident that their new investments will produce a satisfactory return, although they concede that it will be a tougher task than they expected. But Finnish yards have wisely steered clear of concentrating on one series production of standard ship types like the very large crude carrier and bulk carrier. These are policies which have led to serious troubles for other yards.

But can even the big degree of specialization which characterizes the Finnish industry provide a sufficiently large shield for the Government's economic policies have the effect of reducing inflation rates which have made Finnish yard tenders less competitive? Will the Government be forced to modify its traditional policy of non-intervention in the industry's affairs? What effect will pressure for greater worker participation have on the prospects and prosperity of the industry?

These are among some of the questions posed in the light of the world situation and ones to which Finnish shipbuilders are now addressing themselves. In recent years, however, the Finnish industry has reaped the benefits of specialization in sectors of the market which other shipbuilding nations have chosen to ignore. Its skill and technological lead in constructing icebreakers and specially strengthened ships able to navigate ice-choked waters is unequalled. But that specialization is reflected across a whole range of ship types—cruise liners, passenger ferries, roll-off ferries—which form a regular cross-section of its order book—some 95 per cent for export and half of the export total destined for the Soviet Union—is made up of 87 ships with a total tonnage of 1,169,544 tons gross. This will be sufficient to provide a steady base-load of work for most of the industry until at least the end of next year, although in some cases deliveries stretch forward to 1979.

In the past five years the industry's annual deliveries have hovered about the 200,000 tons gross mark. The exception was 1970 when the yards delivered 242,000 tons. But last year continued on next page



The Finncarriers.

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These are our ships—Finnish ships of the line which from the beginning of 1976 will take care of sea transports between Finland and the rest of Europe, as well as North Africa, smoothly and flexibly. At the moment we have some 40 ships in our fleet, but our comprehensive new-building programme will ensure that our transporting capacity will be more and more effective in the next few years. The Finncarriers fleet includes both ro-ro and conventional vessels, which means we have the right sort of ship for all kinds of general cargo. On the ships of Finncarriers goods reach their destination swiftly and safely.

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Finncarriers is an organisation founded jointly by the two leading Finnish shipping companies for their freight operations in the Baltic, the North Sea, the Bay of Biscay and the Western Mediterranean. Our personnel has been recruited from among the top experts in the founding companies. These people know what seafaring means—how goods should be conveyed and how they should be delivered. Our dense network of international routes, our regular schedules and our experienced agents provide safe conveyance and smooth delivery.

Effective service

Finncarriers is a joint organisation of Finland Steamship Co Ltd and Finnlines Ltd. Our aim is to take care of the existing routes of the parent companies and to provide reliable and rationalized line and contract freight services. Finncarriers will work in Europe, particularly where Finnish foreign trade has its most important markets. We at Finncarriers take our responsibilities seriously and we are ready to serve.

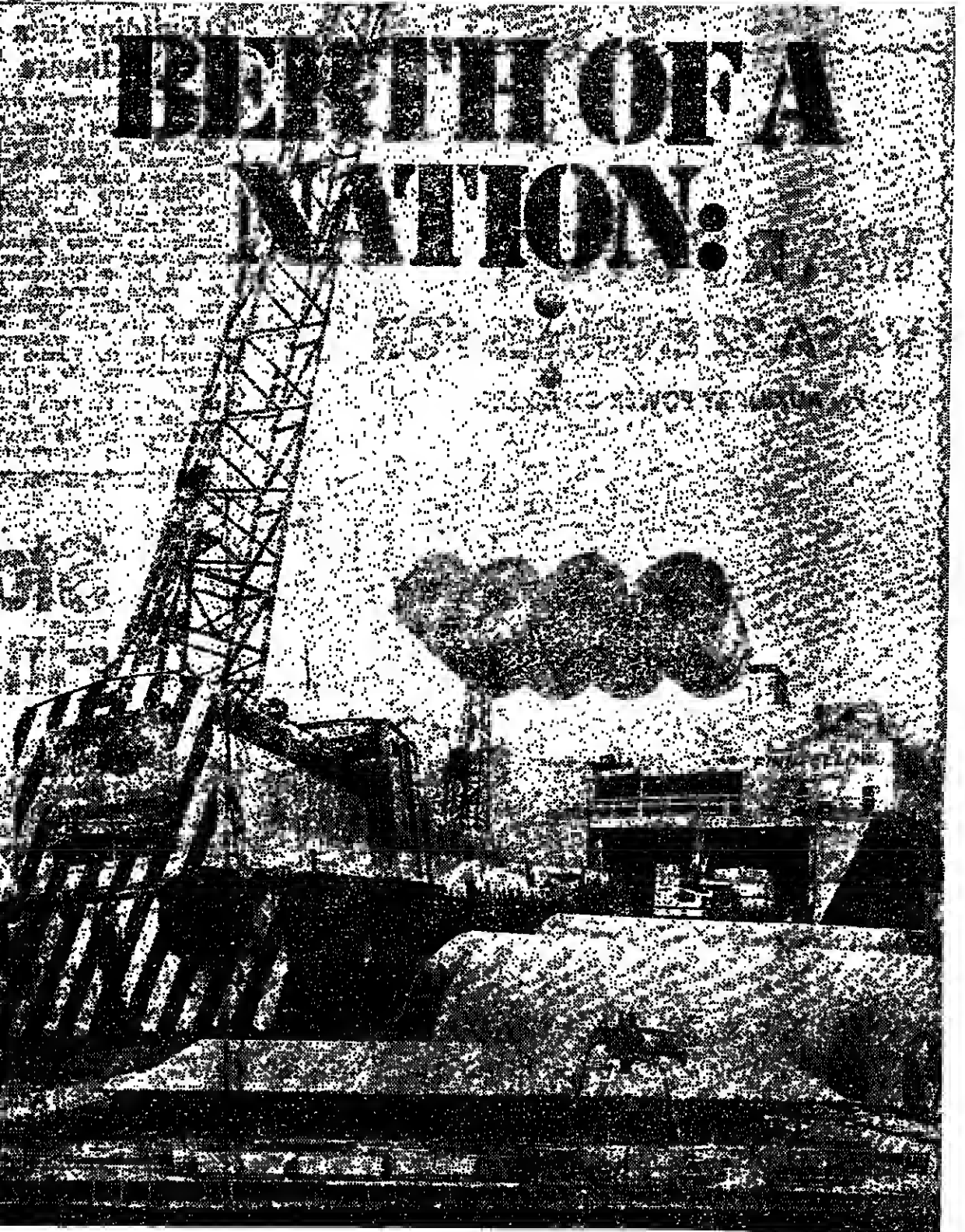
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A welder at work in the Rauma-Reppola shipyard.

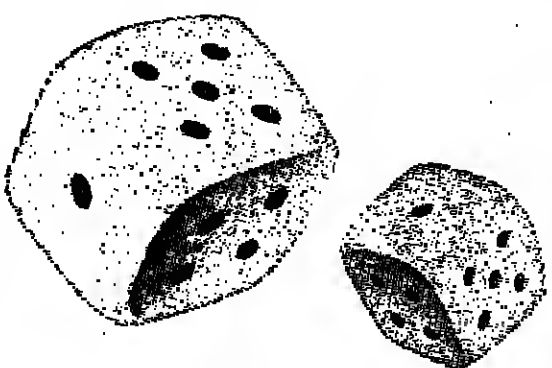


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State group reflects new needs

Stock-like crane jibs sprout surprisingly from the pine forest glistening in the afternoon sun. From their cabs the drivers of the cranes gaze over the Helsinki suburb of Vuosaari—about 17 kilometres from the centre of the Finnish capital—and beneath and around them at the green painted buildings which form one of the largest single investments in the Finnish shipbuilding industry.

This is the 200m Finnmark (about £25m) shipyard of Valmet Oy, Finland's only state-owned engineering and shipbuilding company and successor to the organization which once was charged with the operation of the country's armaments and ordnance factories. Valmet is owned by the Government and can trace its shipbuilding antecedents back to the middle of the eighteenth century when construction of a dock near the Sveaborg fortress in Helsinki began; it was later known as the Helsinki shipyard of Valmet. The yard remains as a repair facility, but the new yard at Vuosaari reflects the need which developed during the 1960s for the state group to meet a growing demand for larger vessels.

The decision was taken to create a purpose-built yard able to build ships of up to 300,000 tons deadweight. Between 1971 and 1972, assisted by an extra Fmk95m of government-issued share capital, construction of the huge building dock and supporting facilities went ahead with work beginning on the first ship in November 1973.

The new facilities include a massive plate fabrication shop and a large outfitting shop. In the building dock the company employs the tandem method of construction so that while one ship is being assembled in the dock, the stern section of the following ship is being ahead at the land end of the dock.

Valmet as a group employs about 18,000 workers and last year its turnover was an estimated £300m. Within the group shipbuilding is an important activity with four yards in operation and with many of the ships on order, as with other Finnish yards, destined for the Soviet Union.

The company has built extensively for the Soviet flag, with cargo liners and timber carriers representing the main workload in the two decades after the Second World War. The company has built almost 50 accommodation ships for the Soviet Union to house workers engaged on construction projects, and the Russians remain happy with the original design.

Valmet employs 2,100 people at Vuosaari and its order book there stretches to 1979 with two 21,000 ton dwt roll-on, roll-off ships for the Soviet Union scheduled to be the first vessels delivered from the yard. The yard is also building a series of tankers each of 150,000 ton dwt for Norwegian owners, and is to build two 36,600 ton dwt barge carriers and barges for the Soviet Union.

Like other Finnish yards the company is still negotiating for further orders with the Russians, although present orders will ensure that all departments at Vuosaari are working at full capacity until the end of next year. Since use of the yard is about 40,000 tonnes a year although there is scope for 60,000 tonnes.

Valmet has another hulling shipbuilding subsidiary, Oy Laivateollisuus, near Turku, which concentrates on smaller ships, and specialized ships. The yard recently completed two off-shore supply boats for Norwegian owners but most of its orders are for research ships for the Russians, with eight in the present package to add to the 10 already delivered by the company.

Breaking ice together

At the Helsinki shipyard of Wärtsilä, executives talk enthusiastically about President Ford's visit to the yard during the Helsinki summit and his tour of one of the icebreakers it had built. It was perhaps natural that Mr Ford, a leading advocate of maintaining a free passage through the St Lawrence-Great Lakes system, should pay a call on the world's leading builders of icebreakers.

Wärtsilä managers hope that with a little pressure from the White House they can persuade the Americans to waive existing legal constraints and buy one of their

vessels to keep the waterway open for longer than is possible now.

That is among the main marketing objectives at Wärtsilä in the short term, but the company is equally enthusiastic about the long-standing custom it has received from the Soviet Union and the prospects of the Russians, in concert with the Finnish shipbuilders, pushing forward the technology of icebreaking. It seems that the thaw in East-West relations is good for the icebreaking business.

Shipbuilding is the dominant activity in the operations of the Wärtsilä group, one of the largest Finnish industrial enterprises. More than half of its turnover comes from shipbuilding, which employs about 8,000 workers out of the group total of about 16,000.

The company operates two main shipyards—one in Helsinki, where it has been building ships for more than a century, and the other at Turku, on the west coast, where shipbuilding is accompanied by engine building. Wärtsilä is also nearing the end of a major investment programme at Perno, near Turku, where it has constructed a building dock for the assembly of hulls.

The cost of the Perno project is 400m Fmk (about £50m) and the keel of the first ship is scheduled to be laid in May. Some hull assembly has been contracted out to a building dock operated by Oy Navire, at Naantali, and it will deliver five hulls to Turku this year and next.

At the Helsinki yard apart from construction of a gas turbine-powered passenger ship, the entire order book is made up of icebreakers—12 of them for the Soviet Union—extending in size from a Polar class vessel of 36,000 shaft horsepower down to a series of three shallow-draught icebreakers developing 3,400 shp. Wärtsilä is also building icebreakers for the Finnish, Swedish and Argentinian Governments. With its own ice laboratory, the company has established a worldwide reputation and has delivered for an icebreaker of 140,000 shp.

Wärtsilä has also built up a strong reputation for the construction of luxury cruise liners and at the beginning of this decade held orders for more than 40 per cent of the cruise liner tonnage then on order. The company's overall shipbuilding order book is valued at about £540m with 21 ships on order from the Turku-Perno yards.

The Turku orders include a pair of car carriers, five 32,000 ton deadweight products carriers, two cable ships for Russia and four cargo liners for Venezuela. The Perno yard holds an order worth Fmk 1,200m for a series of seven liquefied petroleum gas carriers which will provide the yard with work until 1979.

In its first phase the building dock at Perno will be able to accommodate two hulls side by side, with a maximum unit size of 100,000 tons dwt, and the company is basing its initial programme on the yard using 60,000 tonnes of steel a year and producing a total of 3.5 ships annually.

In the present world recession for shipbuilding, Wärtsilä executives are drawing some consolation from the fact that the decision to go ahead with a large shipbuilding facility was not taken earlier. With the industry internationally faced with a glut of capacity, Wärtsilä could have been among the yards hit by the collapse of the tanker market. As it is, the company believes it will have plenty of flexibility with the Turku and Perno yards to meet the requirements of a changing market.

Against the background of the world market, Wärtsilä has a substantial backlog of orders. Looking ahead, it has licence agreements with Moss Rosenberg, the Norwegian builders of liquefied natural gas carriers, and is pressing ahead with design and development work on an offshore drilling ship.

Big yard looks to Russians

The ice squeezes tightly against the huge pontoons from which the colossal red-painted columns soar upwards for 120ft to the main deck of the rig where scores of workers, amid a tangle of cables and the din of machinery, work against the clock. This is Mäntyluoto, Finland's only exploration-rig building works, which has one of the biggest order books in the world.

But the rig now beneath the huge gantry, like those which will follow it, is well behind the original delivery date and the men and the company which employs them, Rauma-Rekola know that they must work to get the rig away, to avoid adding

further to the already substantial losses which the delays have caused.

This rig, the Celtic 1, has been chartered by its British owners to British Petroleum and they are working on the basis that it will be ready to leave the basin at Mäntyluoto by the end of May or early June. But Mr Seppo Ainamo, the commercial manager at the yard, fears that there could be further delays. Only days before, he was alerted by the owners that further changes would have to be made during construction and that could mean that BP will have to wait a little longer.

Mr Ainamo has other worries. The steelworks at the yard—a half-hour drive from the west coast town of Pori—is running out of work and needs filling if the men and machinery are to be gainfully employed beyond the end of this year.

There is no prospect, he says, of any further orders for semi-submersible rigs being placed for the North Sea oil and gas search for at least another year. The Finnish yard now has to contend with the buy-British policy of the United Kingdom Government which the oil companies are now operating. The market is 'quiet'.

For Rauma, the brightest hope is the Russian market and the rig builders hope that its quotations for two rigs designed for work in the Caspian Sea will be accepted by the Soviet planners. But they are finding tough competition from other countries.

If Rauma can get those orders, its steelworks will be occupied to the end of 1978. Mr Ainamo reckons that production costs at Mäntyluoto are between 10 and 15 per cent lower than those of his leading rival, the Norwegian Aker group, which recently licensed Rauma to build several of the E-3 rigs designed by Aker.

The works at Mäntyluoto was planned at the end of the 1960s for the manufacture of a range of heavy equipment for the power generation, chemical and petrochemical industries and it was not until 1972 that it secured its first order for an oil drilling rig.

It has delivered four from its order book of a dozen E-3 of three designs—the E-3, the French designed Protasone, and the American Ocean Ranger—and if the Russian orders are confirmed it will add a fourth type.

Rauma-Rekola, Finland's largest private sector industrial group with an annual turnover of more than £200m, has not had a particularly happy experience in the offshore drilling rig business. In the early years of the

venture, the yard, like others, failed to attract sufficient labour to the site with the result that delays in the delivery schedule were inevitable.

The company was forced to pay premium rates in an attempt to cream off labour from competing employers in the area—indeed from throughout Finland—and has provided a range of other incentives, including company owned housing, to secure a sufficiently large and stable workforce. Now it is just about on its feet, Mr Ainamo observes. "We may not have gained a lot of money from this venture but we have certainly gained a lot of wisdom."

But the parent company is also well established in the shipbuilding business. Less than an hour's drive from Mäntyluoto at Rauma, the group's shipyard has a three-year order book made up of a series of 13 tankers, designed to navigate the polar regions and each of 17,200 tons deadweight for the Soviet Union. Last year the yard delivered six ships totalling 120,666 tons dwt.

Its Sevastopolia yard, acquired four years ago, last year delivered three small vessels and has four trawlers on order for delivery to Tanzania and two small passenger ships for the Finnish Board of Navigation.

Finally, another of the group's shipbuilding companies, the Uusikaupunki shipyard last year delivered three ships, totalling just over 6,000 tons dwt, and scheduled to deliver two reefer ships to Cuba and four tugboats, rigs to the Soviet Union.

Design staff and claims to produce two new ship designs each year. The company is negotiating with the Soviet Union on a new design of heavy-lift vessel of 6,000 tons. This design is similar in concept to the large barge carriers on order with another Finnish yard, but Rauma-Rekola's yard could be attractive to the Russians for the internal transportation of major pieces of equipment.

Hollming, with a steel production of about 12,000 tonnes annually, has suffered like other Finnish yards in the past from a shortage of skilled workers, particularly since it has to compete with the Rauma-Rekola yard across the harbour for the same labour.

It remains a fiercely independent family company with a typically indolgent attitude towards its workers (one third of its workforce is in company-owned flats), but the other Finnish shipbuilding companies remain sceptical of pressure which is now building up within Finnish industry for greater employee participation.

There has been a steady trickle of workers returning, but this has helped to blow through the Finnish economy producing monthly additions to the unemployment figures—now more than 90,000—the shipyards have found it easier to plug some of the gaps in their labour forces and, although there is still a shortage, it is certainly less acute than a year ago.

Elsewhere on the labour side Finnish industry has experienced serious difficulties and may face further trouble. Wildcat strikes were a particular feature of the industry's labour relations of 1974. The Wärtsilä yard at Turku lost 295,000 working hours in that year.

a major supplier of ships to the Soviet Union and the company, which last year celebrated its thirtieth anniversary, remains in the control of the founding families. Within the highly specialized Finnish shipbuilding industry, Hollming has specialized itself and since the war has delivered more than 250 ships. These range from schooners and barges in its early years to 5,000-ton roll-off ships scheduled for delivery to the Soviet Union between June and the end of next year, for use in the Baltic Sea trades.

Employing about 1,100 people, the company marks its anniversary last year with the introduction of new construction hall for the assembly of ships sections and the company has more ambitious plans for the future.

These centre on the expansion of the yard's facilities. At present the company's facilities extend over 145,000 sq metres and the size of ship which can be built is limited to about 10,000 tons. Under the plan, drawn up in conjunction with the local authority at Rauma, the company's total operating area would be doubled and would allow construction of ships of up to 30,000 tons. But the plans remain unfulfilled as does their desirability in the light of objections that have serious environmental implications.

Meanwhile the company, which had a turnover last year of Fmk 120m, gets on with the business of building ships and developing its engineering producing a large number of fairly large design staff and claims to produce two new ship designs each year. The company is negotiating with the Soviet Union on a new design of heavy-lift vessel of 6,000 tons. This design is similar in concept to the large barge carriers on order with another Finnish yard, but Rauma-Rekola's yard could be attractive to the Russians for the internal transportation of major pieces of equipment.

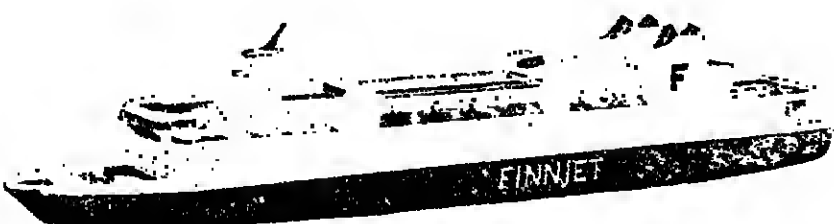
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Building in a cold climate

continued from previous page

output received a marked boost and a record 37 vessels totalling 280,303 tons gross were delivered.

Unlike many of its competitors around the world, the Finnish industry has managed to ensure a steady performance without having to call on its Government for rescue operations or for continuing subsidies. Indeed, the only form of government assistance enjoyed by the Finnish industry—beyond the normal export credit facilities arranged on the same basis as that enjoyed by other countries who are signatories of the Organization

for Economic Cooperation and Development—understanding on export credit—is an export guarantee, the so-called K guarantee.

This provides for a payment to be made by the Government to a shipbuilder, or other manufacturer of capital goods for export, in proportion of the additional costs incurred on a contract if the annual rate of inflation is more than 10 per cent.

The scheme has been in operation since 1964 but between then and 1972, as premiums collected for the scheme, the total paid out was only Fmk19m. But in 1973 the Government's compensatory payments under the scheme had risen to Fmk150m and they doubled to Fmk300m the following year while last year

government officials estimate that they will have reached again to about Fmk600m.

A further rise in payments is expected this year after which government officials at the Department of Industry believe there will be a marked reduction in the subsidies required. This scheme and the question of export credit facilities is being studied at present by a government committee which is expected to produce its findings at the end of next month.

Government relations with the shipbuilding industry are baronious, but both sides prefer to keep their relationship at arm's length with informality the rule. At international discussions Finland's representa-

tives have been consistent advocates of less state involvement in shipbuilding and as far as the domestic industry is concerned, the policy of nonintervention looks set to continue.

Mr Pekka Rekola, director of the Industry Department, summarized Finnish attitudes towards the nation's shipbuilders thus: "We think that money which is given too easily, is spent too easily."

Apart from rising costs, one of the big difficulties which the Finnish shipbuilding industry has been faced with in the past few years has been a shortage of skilled workers. There are an estimated 150,000 Finnish workers living and working in Sweden attracted by the higher wages and salaries.

Start Tuesday Finnish Friday.

The Finnish run will become faster and easier. Just as soon as the first of the three new purpose designed, stern loading ro-ro vessels, ordered for the Bore fleet, joins the Turku/Harwich run. Bigger and faster than any other similar vessel, we've built into them all the good points of our existing ships—plus a lot of other features designed to improve our service even more.

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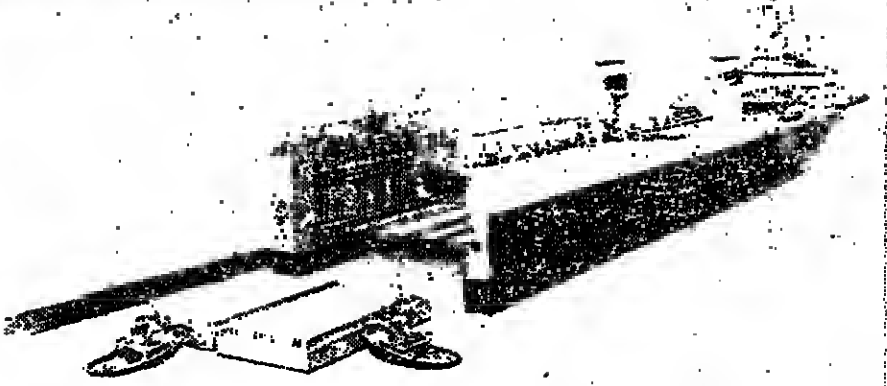
And if you're sending accompanied vehicles, we'll take great care of your drivers with our new modern luxury cabins, saunas and gymnasium.

But until the new ships are operational you still get the same fast, efficient, helpful Bore service with its 3 day journey time and 12 hour port turnaround. If you want to start Tuesday - and Finnish Friday, phone the Liner Operations Division of Mann & Son on 01-854 8822. We'll send you the details. Fast.

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Growing competitiveness of merchant fleet

Land's shipping industry and 47 per cent from imports. But last year the industry's gross freight earnings are estimated to have fallen back on the levels of the previous year.

In its share of foreign trade the Finnish industry increased its share of import trade marginally in 1974 to 53.4 per cent from 52.6 per cent the previous year and its share of the export trade amounted to 50 per cent compared with 47.8 per cent the previous year.

Mr. Heikki Holma, chairman of the Finnish Shipowners' Association, underlined the importance of the Finnish merchant fleet: "In Finland, which has been especially hit by balance of payments difficulties, shipping is an extremely significant economic factor, for it earns foreign exchange in international traffic where foreign currency revenues are greater than expenditures, and in shipping our own exports, where less foreign currency is needed than in international traffic and where a part of the freight charged in foreign currency is paid in Finnish marks thereby yielding savings in foreign currency."

The industry has tended to grow on average at a rather slower rate than the shipping fleets of other Scandinavian countries or of the world fleet, although this has now improved as its rate of growth is about the same as that of other shipping nations. The Finnish fleet amounts to some 227 cargo and passenger ships of more than 500 tons gross including 56 tankers. Their combined deadweight tonnage is just over three million tons of which two million tons is in tanker tonnage. Over half of the Finnish merchant fleet is strengthened for navigation in ice, a vital feature, for most winters see all the main Finnish harbours icebound.

There are about 35 ship-owning companies operating in the foreign trades, most of them fairly small, while the top 10 shipping companies account for more than 85 per cent of the total Finnish merchant fleet and almost a third of Finnish shipping is owned by shipowners from the archipelago province of Åland.

The function of the Finnish merchant fleet has been defined as serving three functions—to serve foreign trade and secure the country's ability to compete, to extend activities to international transport markets, and to promote tourism to Finland by maintaining a passenger fleet.

Shipping companies have a stable volume of orders on hand with world shipyards. Only a small proportion of Finnish tonnage is built by the domestic shipbuilding industry because owners are able to obtain better credit terms elsewhere. It is valued at a total of Fmk 22,500m.

The new ships, which are scheduled for delivery between now and 1978, consist of three 7,000 tons deadweight roll-on, roll-off ships, 14 cargo ships ranging in size from 10,700 tons deadweight to 16,000 tons deadweight, 11 bulk carriers of 30,000 and 35,000 tons deadweight, seven tankers, including one of 154,000 tons deadweight and a liquefied petroleum gas carrier of 8,900 tons deadweight. At the Wärtsilä yard in Helsinki construction is going ahead on a gas turbine powered passenger car ferry which is scheduled to enter service next spring and which will revolutionize transport between Finland and West Germany.

Mr. Holma says: "The realization of a successful shipping policy in Finland requires a constructive exchange of ideas between shippers and shipowners. But this is not sufficient in today's world, for in the development of such an important industry as shipping a sympathetic attitude of the Government is also necessary."

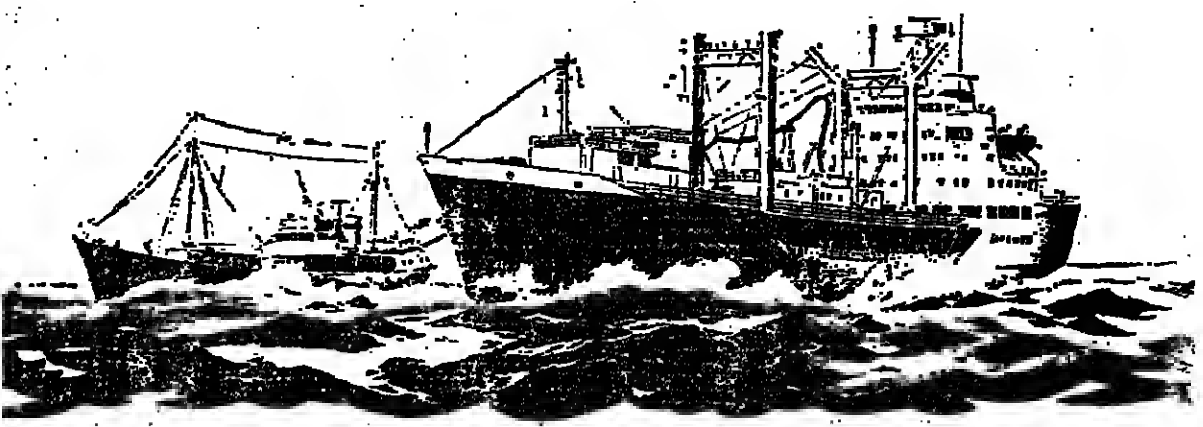
For some months a government-appointed committee has been looking at the shipping industry and attempting to produce recommendations that will ensure the growth and the competitiveness of the Finnish merchant fleet. One key area of concern to the committee's deliberations—the results of which are expected shortly—is the question of taxation policy and in particular the method of depreciation which is permitted.

On the passenger side business last year suffered more serious setbacks than in general cargo with the number of passengers carried falling back on the total carried the previous year. There are 31 Finnish passenger ships engaged in foreign trade but the competition, particularly on the Baltic services between Finland and Sweden, is bitter and some owners have been forced to review their operations.

Mr. Holma sees a bigger and more important role for the Finnish shipping industry but he does not underestimate the difficulties.

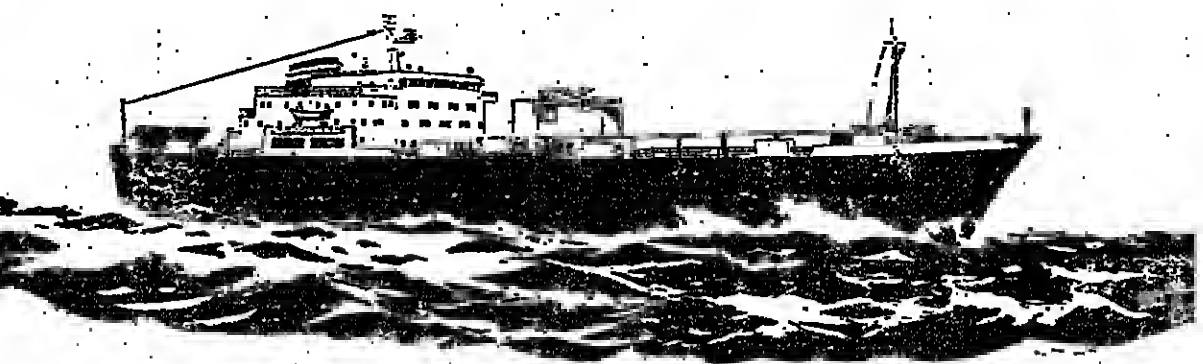
"In a few years the Finnish merchant fleet will be playing an even greater role on the domestic economic stage. Changed conditions will, however, also set new demands for shipowners. We should prepare for long term difficulties, for the present slump will not end quickly. Old concepts are not suited to today's circumstances. New means must be created in order to avoid excessive losses in difficult years."

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Ro-ro ferries for a rapid cargo service

A notable feature of these 5,600 dwt roll-on/roll-off vessels is the twin stern door arrangement, which forms loading ramps for two-way wheeled traffic. Inside the vessel, stowage is arranged on three decks while space is also available on the weather deck for cars and containers. To load and unload the ship only takes about 6 hours.



Navigating through

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first vessel in a series of fourteen ice-strengthened at the Rauma Shipyard intended for navigation in severe arctic waters. Because she is a double skin tanker the pollution even in hazardous conditions is reduced to



Strong Finn—Rauma-Repola.

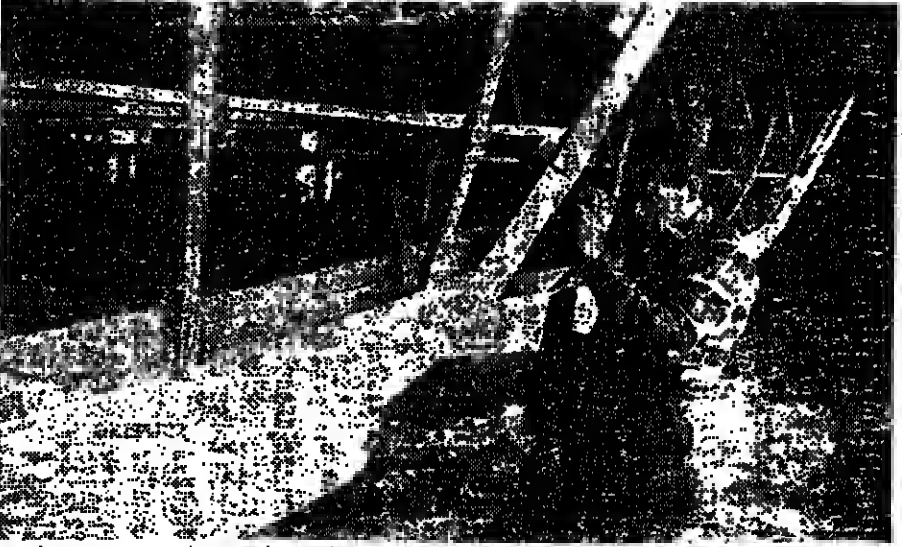
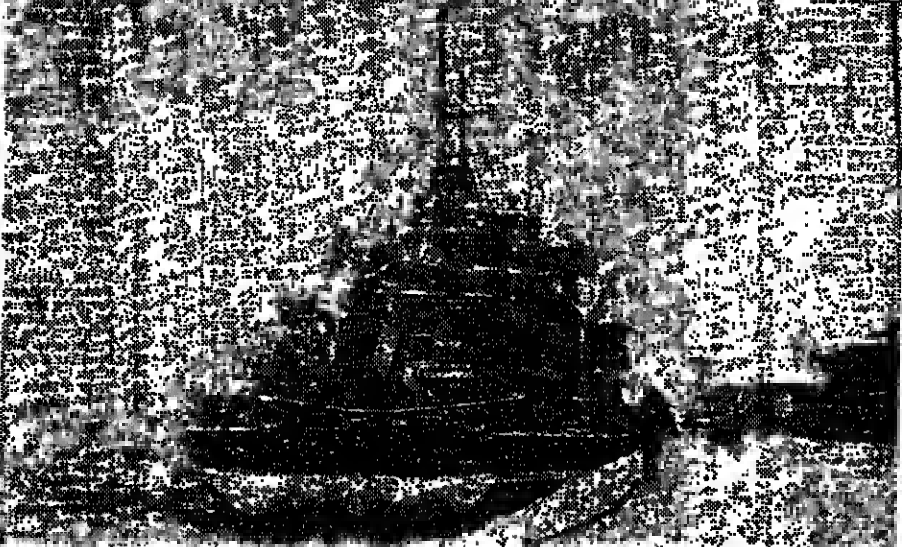
Rauma-Repola is one of the largest public companies in Scandinavia, active in four main fields of production—engineering, shipbuilding, mechanical and chemical wood-processing. The number of employees is 18,000 in forestry divisions, eleven sawmills, two plywood factories, five joineries, a pulp mill, a paper mill, eight engineering works and three shipyards. Turnover in 1975 US\$500 million—and an orderbook of US\$900 million in the metal industry alone.

Shipbuilding division comprises shipyards in Rauma, Uusikaupunki and Savonlinna. Mäntyluoto Works is part of the Rauma-Repola engineering division, specializing in offshore drilling construction and heavy engineering products. Rauma-Repola is today one of the biggest builders of semi-submersible oil drilling rigs in the world, 4 delivered, 8 in order.



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Valmet Vuosaari shipyard, Helsinki (top and left); a Finnish icebreaker in a northern port (centre) and hand-made motor auxiliary craft taking shape at a boatyard in Rauma (above).



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More services to UK

Britain has been traditionally an important export market for Finnish industry and a network of shipping services linking the two countries reflects the levels of trade between the two.

From the beginning of this year Finnlines and Finland Steamship formed a new joint company, Finn carriers, through which about 40 vessels are operating on services between Finland, the Baltic ports, Bay of Biscay, west Mediterranean and the United Kingdom.

Finn carriers and the United Baltic Corporation operate another joint company, Finanglia, with one ship operating weekly between Helsinki and Pärice, three weeks into Grangemouth. Ships operated by and another between Kotka and Felixstowe. This is a Finn carriers to the Thames, not begin until the end of roll-on/roll-off service like Medway and Felixstowe are 1974.

another service operated by the same two companies through the joint company, Finhumber. Ferries which has roll-on, roll-off ships sailing between Turku, Mäntyluoto and Finnish west coast ports and Hull, and between Helsinki, Kotka and Hull.

In addition to the regular ferry services between two countries, there are three or four conventional cargo vessels operating a weekly service between Finnish ports and London, Rochester and Felixstowe with other vessels operating a one-ship-a-week service into Harlepool and two ships every three weeks into Grangemouth. Ships operated by and another between Kotka and Felixstowe. This is a Finn carriers to the Thames, not begin until the end of roll-on/roll-off service like Medway and Felixstowe are 1974.

handled by a newly-formed company, Gee Glover Services.

Roll-on, Roll-off services between Finland and the United Kingdom were pioneered by the Bore Line which established its Turku-Harwich route in 1972, although a partial roll-on/roll-off system had been operational since 1964. The Bore XI which is engaged on the three-day run is able to carry 80 12-metre trailers or their equivalent.

The Finanglia company was established mainly to ship products of the Finnish forest industry to London. Because of delays in completion of the new terminal at Purfleet, regular traffic did not begin until the end of 1974.

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FBI

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صبرنا من الاجل

THE TIMES

BUSINESS NEWS

Small is peaceful
in the factories,
page 23

CBI seeks a new pay ceiling of 5pc and a Budget in two stages

Melvin Westlake, leader of the British industry confederation, today formally revealed his opening position for the coming year of the confederation's programme by advocating a maximum increase in earnings of 5 per cent to follow the present policy which expires in July. A recommendation for an average 5 per cent during the coming year of the confederation programme forms part of the annual pre-Budget recommendations of the Confederation of British Industry, the employers' organisation.

The CBI's recommendations, which in essence aim to keep a cash position of British companies, were outlined to Mr. Westlake, the Chancellor, at a meeting lasting one hour and half yesterday.

In the broad strategy the recommendations bear striking resemblance to the Chancellor's own approach revealed a few days ago when speaking at a meeting of the Labour Economic Finance and Taxation Association.

Then he indicated that he would cut taxes if the trade union accepted a pay limit of 5 per cent.

Lord Watkinson, the CBI's president, Sir Campbell, the managing director, and other industry leaders yesterday suggested at the Chancellor should take a two-stage approach. They believe that the Budget should be a package, and that a significant budgetary measure should wait until the economy is performing better. The second stage of pay restraint will be appropriate, budgetary measures can then be taken by

Lea for tax concession

Our Insurance correspondent writes: A plea for favourable tax treatment of investors who have government stocks in their portfolios has been made by the British Insurance Association.

The Association, which represents the interests of those who hold shares in insurance companies, has been made the Chancellor of the Exchequer by the British Insurance Association.

His will affect, for example, the holding of shares in insurance companies which will be penalised under the Aircraft Shipbuilding Industries Bill. The Association, which represents the interests of those who hold shares in insurance companies, has been made the Chancellor of the Exchequer by the British Insurance Association.

CSO quoted to show overall loss by manufacturers in a year

Kenneth Owen, CSO Correspondent, writes: The Central Statistical Office, United Kingdom, today reported that the manufacturing industry as a whole ran at a loss in 1974, and showed a record low figure for value per employee and a record low figure for value added per employee.

The CSO figures will serve to underline the message that the British industry can best be identified by analysing the value added and the distribution of value—the difference between what is bought in by a

Standard Chartered makes £31m rights issue

By John Whitmore

Standard Chartered Bank, the London-based international banking group, yesterday announced that it is adding shareholders to subscribe an additional £31m of equity capital, making it the third major British bank to tap the stock market in the latest round of rights issues.

The reasons for raising new capital are twofold. First, the bank considers it desirable to improve the ratio of its capital to its consolidated deposits. Secondly, it wants the bank to be in a position to be able to take advantage of opportunities to expand business, particularly in the international trade in prospect.

Profitability in the current financial year (which closes at the end of March) has, however, been affected by the general economic recession. Although the group estimates that it will not need to make year end provisions on anything like the scale of the £16.7m pre-tax provisions of 1974-75, enabling group net profit to rise from £29.7m to not less than £34m, it adds that trading profits for the year will be little changed.

After the opening six months, trading profits had been running at a higher level than many City analysts had been expecting the rate of improvement to be maintained.

The terms of the issue are three new shares at 55p for every 20 already held. Against the previous evening's closing price, the pricing of the new shares represented a relatively narrow discount of 18 per cent. The share price dropped 9p to 32.5p yesterday, but the market appeared to have recovered to £162.5m of cash support and guarantees from the Government over the next four years.

Price controls extended to July

An Order in Council, extending the Price Commission's powers from the end of March to July 31 has been laid before Parliament.

The document gives no indication of government plans for the Price Code and the commission after that.

State industry heads set up a forum

By Peter Hill

State industry chairmen have established their own forum—the Nationalized Industries Chairmen's Group—designed to enable the public sector of industry to speak with a collective voice to the Government on major issues.

The new group, made up of 21 state industries and public undertakings, represents a big step forward for the public sector, and it will clearly form a major force in government industry discussions.

Sir William Ryland, the Post Office, chairman, who is first chairman of the new body, stressed yesterday that the group saw itself as being complementary to the activities of other bodies like the Confederation of British Industry.

But the influence of the new group was obviously going to grow considerably at the expense of organizations like the CBI, where most state industries were members.

The state industry chairmen have become increasingly concerned at the degree of the Government's intervention in the running of their individual industries.

The most dramatic example was the public row last year between Sir Monty Finniston, chairman of the British Steel Corporation, and Mr. Wedgwood Benn over the corporation's redundancy plans.

They are also becoming progressively more irritated at the way in which their salaries are being held down. This has led to a series of anomalies in the salary structures of their respective industries.

It is on issues of this kind that the new group, which is to have a budget of up to £50,000 a year and a small secretariat, will concern itself and will seek to obtain some changes through discussions

with the Prime Minister and his ministerial colleagues. But the bulk of yesterday's meeting, attended by most but not all those industries in the new group, was taken up with procedural matters.

In a statement issued afterwards the chairman said the group would represent the views of the members on matters of



State Chiefs meet: Standing (left to right): Mr. James Driscoll, observer for the British Steel Corporation; Sir William Ryland, chairman Post Office; Mr. Frederick Wood, chairman National Bus Company; Sir Patrick Muirhead Thomas, chairman Scottish Transport Group; Mr. Kenneth Robinson, chairman London Transport Executive; Sir Dan Pettit, chairman National Freight Corporation; Sir Peter

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JWT drops account in dispute with Schweppes

By Patricia Tisdall

J. Walter Thompson, the advertising agency, has resigned its account with Schweppes, which it took over from Ogilvy Benson & Mather in 1972.

A series of disagreements between the two companies culminated on Monday when Schweppes rejected the agency's creative proposals for a television and poster campaign due to appear later this spring.

Next day Mr. John Lindsay-Bethune, managing director of JWT, met Mr. John Beasley, chairman of Schweppes, to hand in his resignation of the account, one of the agency's biggest.

Commenting on the decision yesterday, Mr. Lindsay-Bethune said the new campaign "conformed completely to the requirements of the brief. In my opinion it had the style and tone essential to Schweppes advertising and would have contributed outstandingly to the reputation and commercial success of the brand."

Rejection of an important part of its planning, he said, "highlighted a deep and fundamental difference about the nature of advertising appropriate for Schweppes. In the circumstances there appears to be no alternative but for us to withdraw."

With OBM, its previous agency, Schweppes had gained international recognition in advertising circles by abbreviating its brand name to "Sch". Inherited the "Secret of Sch" slogan with William Franklin, the actor, who had been advertising the products.

Its brief was to extend existing associations with tonic water. Schweppes' largest-selling mixer product, to other products like ginger ale and bitter lemon. To do this it devised the word "Weppes" heavily used in the first of the three campaigns run by JWT for the company.

In subsequent campaigns, however, the "Weppes" theme was dropped in favour of the earlier "you know who" theme.

Neither JWT nor Schweppes will comment on the proposals for the 1976 campaign, beyond saying that it was consistent with earlier advertising.

Small increase in overtime worked

Overtime working increased in November, despite the recession. The percentage of operatives in manufacturing industries working overtime rose to 31.8 from 30.5 per cent in October, according to figures published in today's Department of Employment Gazette.

A rise between October and November is a normal seasonal movement, but it was somewhat sharper last year than in 1974 and 1975, suggesting a modest revival.

Short-time working also increased, from 2.9 per cent in October to 3.4 per cent in November.

Three-point lira support package

From John Earle, Rome, Feb 25

Italy's government has announced a package of restrictive measures in the hope of halting the plunge in value of the lira when the foreign exchange markets reopen on Monday.

The decisions were taken at a meeting in the Treasury ministry last night after an anxious day in which the lira lost about 2 per cent against the dollar. The restrictive measures were three.

From today the discount rate is raised from 7 to 8 per cent, after being lifted from 6 to 7 per cent on February 1.

Banks will have to advance by a month—from mid-April to mid-March—the payment of a scheduled 0.5 per cent extra share of their deposits which must be lodged as obligatory reserves with the Bank of Italy.

It is hoped thereby to mop up 350,000 lire (about £220m). Short-term credit facilities which banks have hitherto been authorized to grant to exporters are abrogated immediately, with the intention of draining from the market about 750,000 lire.

Reopening of foreign exchange markets, closed on January 21, means that the Bank of Italy will return to supporting the lira officially.

But it has extremely slender foreign currency resources, and the hope is that promised credits from the European Economic Community (£1,000m, or about £500m), from the International Monetary Fund (about \$330m) and possibly from the West German Federal Bank, will be negotiated readily.

Aid to Chrysler only a temporary measure, Treasury official says

By Edward Townsend

A top civil servant in the Treasury stressed to MPs yesterday the temporary nature of the aid to Chrysler UK.

The aid, which amounts to £162.5m of cash support and guarantees from the Government over the next four years, was announced by Mr. Alan Lord, head of the domestic economy group at the Treasury, said that public funds were to be used to cover the company's £40m expected loss this year plus further amounts up to a maximum of £10m.

"All we are concerned with is keeping Chrysler here in 1976 in the hope that it will then develop into a profitable concern," he said.

Mr. Lord, giving evidence to the Chrysler inquiry being conducted by the trade and industry subcommittee of the Commons Expenditure Committee, said that if the rescue scheme were carried forward and if the conditions which were an essential part of it were met—such as some new models, a slimming down of the labour force, and better labour relations—then the company had a future.

Asked about the role of government-nominated directors to the Chrysler UK board, which the names are yet to be announced, Mr. Lord said they would be responsible to the company as a whole.

A director might concern himself with the interests of those who were on the board, but under the Companies Act a director could not sit for a sectional interest.

"The last thing you want is an arrangement under which you have a government mark on the board who by-passes the board as a whole."

Proper independent monitoring arrangements were needed. There ought to be a man on the board who had a particular kind of expertise.

On the subject of monitoring Chrysler's future performance, Mr. Lord, who returned to the Commons from the Department of Industry last October to help to coordinate the various financial aspects of the Government's new industrial strategy, said the Department of Industry would be receiving monthly reports.

Both direct and general concern to nationalized industries and to provide a forum at which chairmen could exchange views.

Mr. James Driscoll, the BSC's managing director for corporate strategy, and Mr. Colin Ambler of the National Coal Board, will continue to act as the core of the group's secretariat.

with the Prime Minister and his ministerial colleagues. But the bulk of yesterday's meeting, attended by most but not all those industries in the new group, was taken up with procedural matters.

Alaskan oil search ban

Washington, Feb 25—Mr. Thomas Kleppe, Secretary of the Interior, announced yesterday that joint bidding by major oil companies will be banned in the forthcoming sale of petroleum leases in the Gulf of Alaska.

The department had adopted a general ban on joint bidding by the largest companies in offshore sale last year, but argued the regulations on January 23 to allow exceptions in unusually risky areas.

The Gulf of Alaska had appeared a likely area to waive the ban on joint bidding, as its characteristics include deep water, a rigorous climate, severe storms and earthquakes, conditions that could make oil drilling difficult and costly.

Amendment to the regulation was intended to allow large companies to share costs and operations in areas too risky or costly for participation by smaller companies.

Mr. Kleppe announced, however, that he had decided not to waive the ban on joint bidding in the sale planned for the northern Gulf.

between British Leyland in 1974 and 1975. In 1974-75 showed striking differences. Total assets per employee were £1,924 for Leyland and £2,916 for Toyota. Added values were £2,829 and £7,608 respectively.

Toyota paid 46.6 per cent of the added value on wages, salaries, welfare and pensions. Leyland's proportion was an incredible 91.5 per cent. Depreciation figures showed £200 per employee for Leyland, compared with £2,320 for Toyota.

Dr. Jones' suggested remedy is twofold. First, companies should have to provide detailed analysis of their added-value figures, as is the case in Japan. Secondly, "to replenish the lifeblood in industry," the Government should borrow £10,000m and lend it at low interest rates to companies which have high added value per employee and at least £1 of added value for each pound of capital employed.

Similarly, a comparison between British Leyland in 1974 and 1975 showed striking differences. Total assets per employee were £1,924 for Leyland and £2,916 for Toyota. Added values were £2,829 and £7,608 respectively.

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BOC

BOC International

Interim report for the three months ended 31 December 1975

Group profits, unaudited:—

	Three months to 31.12.75	Three months to 31.12.74	Year to 31.12.75
Group Sales	£12,751,000	£11,274,000	£30,975,000
Operating costs	129,892	108,997	490,902
	110,195	92,060	414,673
Depreciation	19,697	16,873	76,229
	6,124	5,003	22,065
	13,573	11,934	54,164
Add: Group share of associated companies' profits	4,055	3,331	15,119
Group trading profit:	17,638	15,265	69,283
Europe	6,014	5,523	28,842
Africa	2,949	2,420	9,454
America	4,130	3,561	16,043
Asia	796	636	2,906
Pacific	3,749	3,125	13,955
Interest	17,638	15,265	69,283
Group profit before tax	4,880	5,654	21,872
Tax	12,778	9,611	47,411
	6,338	4,500	24,981
	6,440	5,111	22,430
Minorities	1,306	920	3,892
Group profit attributable to parent company	5,134	4,191	18,538
Earnings per share (based on 256,542,224 ordinary 25p shares in issue at 31 December 1975)	1.99p	1.93p	8.29p

Further copy of this report may be obtained from the Secretary, BOC International Ltd., Hammersmith House, London W6 5DX. Tel: 01-748 2020.

FLUIDRIVE

(MANUFACTURERS OF FLUIDRIVE FLUID COUPLINGS AND TRANSMISSIONS)

Achievements for 1975

- Turnover up by 32%.
- Record profit of £581,300.
- Work in progress, stocks and debtors increased by less than 7%.
- Record order book to start current year.

D. L. Donne (Chairman)

copies of the Chairman's Statement and of the accounts may be obtained from the Secretary, FLUIDRIVE ENGINEERING CO. LTD., FLUIDRIVE WORKS, WORTON ROAD, ISLEWORTH, MIDDLESEX TW7 6EH.

How the markets moved

The Times index: 167.70 +0.41
The FT index: 409.2 +2.0

Rises

Ass Port Cmt 3p to 190p
Crested Foodstuffs 4p to 22.5p
GKN 3p to 41.5p
GKN 7p to 320p
Hick's & Wirth 6p to 33.5p
Hick's 10p to 2.5p
Jardine Matheson 11p to 42.5p

Falls

Assam Trd B 10p to 210p
Barlow Rand 7p to 170p
Bk of NSW 10p to 640p
De Beers Ind 25p to 330p
Gerrard & Nat 5p to 295p
Gongon Cons 5p to 150p
Messina Trans 15p to 250p

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Electrical engineers salary survey points to private sector lag

By Derek Harris

A survey* on professional engineers' salaries, published yesterday by the Institution of Electrical Engineers, adds further fuel to the controversy in the profession over a possibly increasing role for trade unions.

A salary survey last November covering the 15 chartered bodies which make up the Council of Engineering Institutions, pointed out that professional engineers in the public sector, where salaries are predominantly fixed by collective bargaining, did better than those in private industry. The IEE survey, carried out in January, shows public sector engineers still doing better than those in the private sector, but it also assesses the effect of the collective bargaining in the private industry.

This is where most engineers not yet members of trade unions are concentrated. More than 50 per cent of engineers do not belong to a union. About one in nine of IEE Fellows and Members—the more experienced engineers—have their salaries determined by collective bargaining in private industry. Their earnings were more than £1,000 a

year behind those of engineers dealt with individually by employers.

More significantly, the less experienced associate members, around 25 per cent of whom in private industry have salaries fixed by collective bargaining, were also behind by some £500 those with individually-set salaries.

This is likely to be seen as reinforcing the argument that unions or staff associations operating in private industry are not giving a sufficiently good account of themselves. A strong union affiliated to the TUC is seen by many in engineering as one way of filling this gap.

Comparisons between the IEE and CEI surveys show increases in electrical engineers' salaries since the CEI survey. At 24 or younger they were getting £2,910 in January (up about 21 per cent) at 30 to 34, £4,800 (about 22 per cent up) and at 50 to 54, £6,800 (about 32 per cent up).

Electrical engineering salaries range from as little as £3,000 a year to more than £10,000. *Remuneration Survey, Institution of Electrical Engineers, 200, Strand, London WC2R 0EL.

Treasury puts case for 'fair' cuts in spending

By Tim Congdon

Cuts in government spending cannot be biased in favour of or against capital spending, according to the Treasury. Instead they have to be appraised by "a broad political judgment".

The Treasury passes this observation on spending cuts in the fourth special report of the House of Commons Expenditure Committee, published yesterday. It forms part of the Treasury's reply to a report by the Committee in the last parliamentary session.

The committee suggested that it was "damaging and unfair" for expenditure cuts to differentiate against capital items, and argued that future economies should aim to restore the balance by being primarily cuts in current expenditure.

The Treasury rejects this view. It says that the main consideration should be where funds "remaining after the cuts can be most effectively used", and emphasizes the constraints imposed by statutory and contractual commitments.

It also notes that capital and current expenditure are often complementary and that, therefore, an appropriate balance has eventually to be struck by those responsible for each service.

In answer to the committee's call for new regular statistics comparing public and private sector pay, the Treasury says that there have been discussions with the Department of Employment which will extend the coverage of its earnings statistics and will, in future, include a sub-index for public administration.

The committee also asked that interim public expenditure figures be published "when important changes occur, or possibly on a quarterly basis". The Treasury remarks that it would be glad to prepare a consolidated list of announcements of higher expenditure at quarterly intervals.

Whitehall discussions aim to stimulate orders for UK shipyards

By Peter Hill

Discussions between the Government and Britain's shipping industry will be held early next month on measures to encourage shipowners to steer orders to home shipyards. Concern felt by ministers arises from job cutbacks in the wake of cancellations in the traditional shipbuilding areas which already have high unemployment. The Government is anxious to see more orders placed with domestic yards—to be nationalized later this year—and penal sanctions have not been ruled out.

Pressure from the shipyards for action has been mounting recently, particularly as owners have been tending to place their orders with foreign yards. British shipowners, in common with the rest of the world, are holding back from placing new orders in the face of one of the worst recessions they have experienced. One shipowner explained: "It is not so much a choice of whether we

build in Britain or overseas at the moment as whether we build at all."

The shipping industry has always insisted that it should be allowed to order on the basis of the most advantageous terms of price and delivery. Various schemes have been discussed for promoting a greater flow of orders to British yards, but the discussions so far have been inconclusive. The industry has had talks with the Department of Trade but the forthcoming round is expected to include the Department of Industry.

The shipbuilders have suggested a stock-building scheme but the industry fears that such a programme would merely exacerbate the problem of oversupply (10 per cent of the United Kingdom fleet is idle at present). Shipowners are more receptive to the idea of cost escalation schemes on export orders being extended to cover domestic orders.

Strong evidence of W German economic revival

From Peter Norman Bonn, Feb 25

The forecast upswing in the West German economy may have arrived at last. The respected Munich-based IFO Economic Research Institute reported today that West Germany was experiencing a broad-based recovery in industrial activity.

In what is the most positive report to emerge recently on Germany's present economic state, IFO forecast that industrial production this year should rise by between 5 and 6 per cent against last year's drop of 7.5 per cent.

The institute, which bases its monthly reports on a poll of business opinion, said industry's order and production figures gained appreciably in January.

Growth in Soviet merchant shipping fleet

Expansion of the Soviet merchant fleet is probably less of a threat than has been suggested by leaders of the Western shipping industry. It is now the world's sixth largest, and totals just over 15 million tons deadweight.

But according to a study* published yesterday its build-up in the next five years may not be as dramatic as supposed.

The study notes that in the past six months there has been a big growth in the Russian merchant fleet.

*Soviet Shipping, published by Seaside Publications.

Two choices of worker participation systems

Companies would have a choice of systems for employee participation under EEC proposals, Mr R. C. M. Cooper, of the Department of Trade, told the House of Lords Select Committee on the European Communities yesterday.

Lord Mair, a former Lord Mayor of London, in the chair, had suggested that the system would be standardized on the basis of whatever country had "the most stringent method of worker participation."

Mr Cooper said the Commission provided two systems, one based on German practice, the other based on the Dutch system.

Russians to compare nuclear knowhow

A delegation from the Russian nuclear industry is to visit Britain in the spring to explore further the possibilities of a technology agreement with the Nuclear Power Company.

If an agreement is reached, it would cover the pressure tube technology of the type used in Britain's new generation of steam generating heavy water reactors (SGHWRs) and Soviet pressure tube reactors known as RBMK types.

Rhys-Williams Bill to go ahead

Sir Brandon Rhys-Williams, Conservative MP for Kensington, again obtained leave in the Commons yesterday to bring in his Companies Bill, which has twice had a second reading and completed a committee stage in earlier sessions.

It requires that boards of companies having net assets in excess of £3m or employing over 1,500 workers should include at least three non-executive directors who would not be entitled to vote at board meetings.

Pressure group for motor industry

Trade unions, the police and motorist organizations are among the bodies to be represented on the Motor Industry Consumer Committee, a new pressure group formed by the National Consumer Council.

LETTERS TO THE EDITOR

Laying down the aims and limits for running a nationalized industry

From Mr G. R. Hill

Sir, As one currently about to lay down an appointment in the nationalized industry sector, perhaps I may be allowed to reinforce the points made by Sir William Ryland in your columns on February 19.

A senior manager in large businesses, whether in the public or private sectors, looks for a reasonable opportunity to balance the resources at his disposal in such a way that he is well thought of by those he seeks to serve. He searches for overall human and financial stability within his business consistent with the evolutionary change and innovation necessary for long-term survival and success. He hopes that this will contribute to a wider stability, and in turn reinforce his aims.

He wants to be able to form a reasonably clear picture of what is expected of him and what courses are not barred. Within this general context it is especially necessary in the nationalized sector that the strategy of, and expectations of, a manager of a business are consistent with the will of his customers, all the workpeople and the taxpayer.

I have had the privilege of working in the nationalized sector for seven years and have seen much excellent management. But the problems of formulating and executing a strategy right through, from the political fountainhead to all its tributaries. It will in my view be essential within the next few years to work out

improved methods for achieving the wider acceptance of aims and boundaries within which each industry and business is expected to work and "succeed".

These industries are huge, they together exert a tremendous gravitational pull within our total economic scene and deserve priority of attention in the re-balancing processes evidently now gaining momentum.

I should perhaps add that I have not been nearly so exposed in my particular business to the extremities of these problems as experienced in the "commanding heights". But a privileged view of the practical effects of the current situation can only impress one with the essential need for the development of improved structures and methods.

Yours truly,
GEORGE HILL,
Managing Director,
British Transport
Hotels Limited,
St Pancras Chambers,
London NW1.
February 20.

From Mr B. Marshall

Sir, I write in answer to Sir William Ryland's letter (February 19), entitled "Running a nationalized industry". Like Sir William, I work for the Post Office and therefore for the public. I am an engineer in the London Postal Region.

Sir William made two points in his letter which deserve comment. The pay of senior officials and chairmen of nationalized industries and the relationship between the government and the public sector. It is quite true that the pay of nationalized industry board members and officials has

fallen behind that counterparts in outside industry. This, I believe, is a serious failure of the public sector to take account of the fact that its chairmen at least of some of its companies. I therefore being paid to speak. I don't think very popular with men of nationalized industry are also shared their companies. The question of the ship between government and the public sector must be accounted to the public sector. The public sector is right out the disastrous re governments taking the public sector based on a certain extent, the merit of the day must involved in the running nationalized industry public sector must be accountable to the public for the best machinery to that is government and merit.

I would ask Sir Will the government of the nationalized industry again. I would not like in an industry organization the lines of Mussolini's Socialism.

Yours faithfully,
BRYAN MARSHALL,
9 Charnville Circus,
Sydenham,
London, SE26.
February 19.

Sandilands: a 'transparent error'

From Professor Charles Kennedy

Sir, The only reaction required from the "monetary liabilities school" to Professor Lawson's letter (February 16) is to lay bare the transparent error contained in it. If interest rates fully reflect the rate of inflation, then indeed there will be no net gain on monetary liabilities.

The gain on the liabilities on the one side of the account will be exactly matched by the inflationary element in interest charges on the other side of the account. If, on the other hand, interest rates fail fully to reflect the rate of inflation, there will then be a net gain on monetary liabilities, but it will not be captured in the profit and loss account unless the gain on the liabilities is included on the income side of the account.

You cannot capture a net gain on anything if you leave the gross gain out of the accounts altogether. Are we to understand from Professor Lawson's letter that it is now expert academic opinion that you can? I find this difficult to believe, though anything seems to be possible in this particular branch of expertise.

Yours faithfully,
CHARLES KENNEDY,
26 Ethelbert Road,
Canterbury,
Kent.

From Mr M. E. Culley

Sir, The article by Martin Gibbs (February 23), suggests that adjustment for inflation should be made to net working capital rather than on stock prices. I am an engineer in the public and private sectors and this reasoning would not be a simple solution to at least part of the problem of adjustment for monetary assets to be separate the assets and liabilities in the balance sheet between "net fixed assets" and "net working capital".

"Net fixed assets" would be the amount of fixed assets less long term borrowing and "net working capital" would be made up of stock plus amounts owed to customers less amounts owed to suppliers and others including short term borrowing. Each type of fixed asset would be reduced by its proportion of long-term borrowing before applying the appropriate inflation ratio. Similarly "net working capital" would also be adjusted by its appropriate ratio.

Yours faithfully,
M. E. CULLEY,
Culley & Co.,
70 High Street,
Sunderland,
Warley,
West Midlands B66 3PQ.

From Mr Henry Toth

Sir, Mr Martin Gibbs reminds us that "We will not get meaningful comparisons be-

tween different types of pay until we include adjustments in our definition of profit", and this I me to state that it is; in have meaningful comparisons between public and private sector economy until local area publish balance sheets same way as public corporations.

When I joined the committee of a local authority it came as a great surprise to me to learn that capital items are not shown separately in a balance sheet, written off immediately, find that the cost of a house is shown, but its value after it has been built.

It is my belief that a rational discussion of authority expenditure sheets have been prepared a public sector work only the cost of building, but not its asset no one would regard giving a true picture of Companies Acts do not such treatment. Yet this is what local authorities do. Yours faithfully,
HENRY TOOTH,
Senior Lecturer,
City of London Polytechnic Department of Accounts and Taxation,
School of Business Studies, 84 Moorgate, London EC2M 6SQ.

Why Blue Vinny disappeared from Dorset

From Sir Richard Trehane

Sir, Francis Kinsman's comments (February 14), on the changing nature of cheese and particularly the disappearing capacity of Blue Vinny were as delicious as some Blue Vinny (but not all of it) used to be. It also had a delicacy that was more pronounced than that of somewhat robust traditional products.

The secret of its disappearance derives from the changing farming system of the county of Dorset. Until the depression of the 1930s it was a characteristic of farming on the Dorset chalklands that the farmer concerned himself with those things that were respectable—growing corn and keeping sheep—and that the land in the river valley, which was most suitable for dairy farming, was with the

necessary cows rented out to a dairyman on an annual contract.

That dairyman and his family milked the cows, skimmed the cream from the milk for making butter, used the skim milk for making Blue Vinny cheese and the whey for feeding his pigs. That has all changed and the milk is now mostly taken by tanker to the dairy or to the factory.

It used to be said, half in jest, that if the cheese failed to go blue you should hang up an old horse collar in the dairy, but in fact the dairies were so permeated with the blue mould, which is equally characteristic of other blue cheeses, that once introduced from outside was necessary to make Blue Vinny in factories. These have not

been very successful, partly because there is no proper modern dairy for 24 hours and the skimming the cream, about the 1 per cent needed to make good. During this time the milk underwent a slow ripening was considered to be an ideal condition for making Blue Vinny.

Sometimes in Dorset advertisements for Blue Vinny should not really cause it is quite different from the Blue Vinny and is likely to be a Stilton in quered.

Yours faithfully,
RICHARD TREHANE,
Hampton Manor Farm, Wimborne.

UBAF LIMITED

Balance Sheet at 31st December 1975

	£	£		£
Share capital and reserves			Current assets	
Authorised, issued and fully paid ordinary shares of £1 each	5,000,000		Cash, balances at bankers, money at call and short notice	94,280,562
General reserve	500,000		Bills discounted	6,611,359
Retained profit	412,416		Deposits with banks	68,643,223
	5,912,416		Loans and advances	10,964,184
Shareholders' subordinated loans	5,771,606		Debtors and prepayments	85,088
	11,684,022			180,584,406
Deferred taxation	38,500		Investments in affiliated companies	
Current liabilities			Unquoted — at cost and directors' valuation	407,789
Current and deposit accounts	242,695,982		Loans and advances over one year	74,720,278
Taxation (including £300,070 in respect of 1974)	982,864		Fixed assets	258,992
A.C.T. on proposed dividend	134,615			
Creditors and accruals	185,482			
Proposed dividend	250,000			
	244,248,943			
	255,971,465			255,971,465

TRADING PROFIT for the year ended 31st December 1975, after payment of interest on subordinated loans (£544,155), amounted to £1,239,522

Extracts from the Chairman's Statement

A satisfactory increase in trading profit was achieved, despite the steep escalation of costs. Our commercial banking activities showed commendable growth, but it was in medium term lending that we saw the biggest element of expansion.

A cautious policy of building up reserves is being continued, and a sum of £300,000 has been set aside as a provision against any possible future losses.

After three years of successful operation, a dividend of 5% is proposed.

P.O. Box 169, Commercial Union Building, St. Helen's, 1 Undershaft, London EC3P 3HT

SHAREHOLDERS: Union des Banques Arabes et Françaises - Libyan Arab Foreign Bank - Midland Bank Limited



Tenneco Inc.

(Incorporated under the laws of the State of Delaware, United States of America)

Authorized at 31st December, 1975

150,000,000 Shares of Common Stock par value \$5 each

Issued at 31st December, 1975

80,996,593

The Council of The Stock Exchange has admitted the above mentioned Shares of Common Stock to the Official List. Particulars relating to the Company are available in the Extel Statistical Service and copies of the Statistical Card may be obtained during normal business hours on any weekday (Saturdays excepted) up to and including 10th March 1976 from:—

Morgan Stanley International,
4 Place de la Concorde,
75008 Paris

Credit Suisse White Weld Limited,
12 Leadenhall Street, London,
EC3V 4QH

Cazenove & Co.,
12 Tokenhouse Yard, London,
EC2R 7AN

26th February, 1976.

BY THE FINANCIAL EDITOR

Standard Chartered offers an income bait



Lord Barber, chairman of Standard Chartered Bank, says several methods considered for increasing the capital base.

gains that buoyed up the first two quarters. Most of the improvement stems from the important mechanical products division—precious metal fabrication for mainly industrial applications—now that the sectors it supplies have started to pick up, chemicals and electricals in particular. And in the United States there has been a useful profits boost from the higher offtake of platinum catalysts via the Ford contract. Elsewhere, cement transfers are still dull and the banking side is not repeating last year's fireworks now that bullion dealing is so inactive.

On these figures, JM looks capable of at least £13.5m pre-tax for the full year in profit, up another 5p yesterday to 355p after their strength all week on a projected price ratio of just over 10. But a yield of under 5 per cent is a drawback to any further relative strength against the market even though asset value, including precious metals stocks at market prices, is an attractive-looking 467p a share.

Third Quarter: 1975-76 (1974-75)
Capitalization £60.2m
Sales* £225m (226.5m)
Pre-tax profits £9.51m (£12.9m)
* Excluding JM Bankers

AKZO
Restoring stability

AKZO continued to climb out of recession in the final quarter of last year with sales of chemical fibres and chemical products showing a "substantial" gain over the first three quarters of the year, and over the final quarter of 1974. The improving trend then, in fibres and elsewhere which ICI pointed to in its final quarter figures last week can be taken as a first one, at least in sales volumes. Selling prices are a different matter however, and the continuing depressed level of these, together with low capacity utilisation, meant that AKZO finished 1975 with net losses of £118m against £115m at the nine months stage.

Final quarter figures due shortly from the three German chemical majors—Hoechst, Bayer and BASF—will offer some further guidance for chemical industry prospects generally but for AKZO there remain some particular problems to contend with.

Principally there is the planned reconstruction of AKZO's loss-making, Bunka Glasstoff, against which AKZO provided £125m by the end of last year to cover non-recurring losses. The net loss after this was £17.2m and it is little surprise that the final as well as the interim dividend has been passed in the light of this.

Net losses moreover would have been £167m higher but for the "clawback" of an inventory risk provision made at the end of 1974. From the remarks made by AKZO's chief executive, Dr Hans Günther Zempelin, it appears that a return to profit this year is by no means assured. Much obviously depends on how far and how fast the recovery in world fibre demand goes, given AKZO's particularly heavy orientation in this product area.

Find: 1975 (1974)
Capitalization 1,434m
Sales 9,630m (10,761m)
Net income 185m* (372m)
Earnings per share (12.55)
Dividend per share 4 (4)
* Loss.

All figures in Dutch florins.

Johnson Matthey
Shaking off the recession

Badly denied by the drop in industrial activity and consequent spending in the first half, Johnson Matthey's latest quarterly figures show that it is managing to shake off the recession rather more speedily than expected. Pre-tax profits of £3.72m in the admittedly seasonally stronger third-quarter are only 16 per cent below the corresponding period last year after being 37 per cent down in the first quarter and 31 per cent adrift at the half-way stage.

And though more than half JM's turnover is overseas, particularly in the United States, the steadiness of the dollar in the third quarter has not brought the same scale of currency

when, 10 years ago, Lidstone succeeded in declaring a dividend for the first time in 65 years.

In his new post he is keenly aware of the responsibility he has undertaken. The City's rate will be fixed next Tuesday and then confirmed by the Court of Common Council.

"I shall be pretesting strongly on behalf of the City at the rates burden imposed on us. But first I shall have to apologize to the ratepayers. I feel very strongly about it," he said.

Taking account

Accountants may be on the defensive in the wake of the secondary banking collapse, but there is at least one group that is not backward in coming forward.

This is the new Society of Conservative Accountants, of which the party leader, former tax barrister Margaret Thatcher, has consented to be patron.

The chairman is to be Cecil Parkinson, MP for Hertfordshire South, former partner and consultant to City chartered accountants West, Wake, Price & Co.

Parkinson told Business Diary yesterday that there were 13 accountants among the 635 members of the Commons, of whom nine—all members of the SCA—were Tories.

Parkinson said, they are in alphabetical order: Bill Clark (Croydon South), John Cope (Gloucestershire South), John Davies (Kauzford), Geoffrey

Small is peaceful—the message from the factories

It has long been supposed that the smaller the firm, the fewer the strikes, but the figures for manufacturing concerns of different sizes from 1971 to 1975, published by the Department of Employment today, are nevertheless significant.

They show that the incidence of time lost through disputes increased with the size of the plant from 15 days for every 1,000 employees in those employing between 10 and 25 workers to more than 2,000 days in plants employing 1,000 or more. The number of stoppages per 100,000 employees rose from eight to 29, but in this case there was little difference between middle-sized firms employing 500 or more and those employing 1,000 or more.

These new statistics will not do much to harden the convictions of those who believe that "small is beautiful" in industrial relations but it does not necessarily follow that all industries should be split into small parcels.

Two thousand days a year is an average of two days for each worker, which is less than one per cent of a man's working time. There may well be advantages of scale in large firms which more than compensate for that, even though a high incidence of strikes is likely to be accompanied by a high incidence of other labour troubles.

The difference may be exaggerated by the fact that the figures include those indirectly affected by stoppages by other workers in the same plant and the proportion of those laid-off from the plant is likely to be smaller. This may in fact make a good deal of difference.

In all industries from 1971 to 1973 about 4,400,000 workers were involved in stoppages of 1,005,000 days, or 0.2 per cent of working time. On the other hand, the figures do not take account of lay-offs in other establishments, which are likely to be greater as a result of strikes in big firms.

It is not surprising, therefore, that more than size raised the incidence rate for big plants. For instance, considerably the highest rate of any manufacturing industry was in motor vehicles, which averaged 4,300 days lost per thousand workers for the three years. Motor assembly plants are mostly large. But was the high figure due to their size or to other characteristics of the motor industry? Probably a bit of both.

Similarly the second highest incidence rate, 2,900 days, was in shipbuilding and marine engineering, which also comprises large firms in an industry where one can think of other factors which may have contributed to the large figure. Women may be less strike-prone than men. The loss of time is worst, taking manufacturing as well as non-manufacturing into account, in industries employing mainly men—mining and the docks as well as minor manufacturing and shipbuilding.

Nevertheless, whatever qualifications may be necessary, it is incontrovertible that relations between managements and workers are more peaceful in small plants than in large ones, not only in respect of strikes but also of other forms of industrial action. Personal relations can be closer. It is possible to adopt a give-and-take policy which takes account of individual needs and problems and which is not subject to rigid rules. The greater expertise of large firms may be more than balanced by the greater difficulty of communication and a more complex technology.

The survey of workplace industrial relations, carried out for the Donovan commission 10 years ago, distinguished between the replies to many questions of people in establishments where fewer than 100 were employed, where between 100 and 500 were employed, and where more than 500 were employed. This was not repeated in follow-

up surveys for 1972 and 1973, but may be revived in future years in view of today's figures. The Donovan survey was confined to establishments where unions were recognized and so took no account of the many small plants where there is no trade union organization and strikes are infrequent. Nevertheless, it showed that 43 per cent of managers in large plants had experienced a strike while in the job, but only 20 per cent in small plants. More had had experience of either forms of pressure such as strike threats, overtime bans and so on, 76 per cent in large plants and 46 per cent in small.

There was evidence of greater mutual understanding in small plants. While no fewer than 95 per cent of managers thought shop stewards at least fairly reasonable, 50 per cent in small factories but only 24 per cent in large thought them "very reasonable".

As might be expected, labour relations in small plants were more informal. Fewer had personnel officers or shop stewards' conveners with special privileges or joint management-worker committees. Formal bargaining covered a narrower range of issues and stewards were more likely to go straight to the manager about grievance without seeing the foreman first.

Foremen had on average only 30 workers under them in small plants, compared with 60 in large ones. They were more often responsible for hiring and firing but only half as many (29 per cent) had any training for the job. Fewer managers in small plants thought the organization of work could be improved, complained of time-wasting practices or said that the workers could be expected to put more effort into their work.

The general impression was of a happier but not necessarily more productive relationship in small plants. It must depend a lot on the management. Workers will feel themselves less like a cog in a great machine but may become rebellious under a dictatorial boss.

There are advantages as well as disadvantages in the labour relations context in plants being large. Managers tend to be more experienced. Not only do they train more of their foremen, but they are more able to provide effective general training arrangements. They are better placed to run an adequate pension scheme and other fringe benefits such as sports grounds.

But a small plant does not necessarily mean a small company. In theory at least a multi-plant company may consist of small enterprises in which managements are left free to

run their own affairs, so long as they remain viable, with some central services and skilled guidance and advice provided when it is asked for. The moral for an employer with an expanding market, perhaps, is not to increase the size of his plant beyond a certain point but to start another one instead.

A giant like the General Electric Company can lay great emphasis on devolution. Its 130 businesses are encouraged to preserve the identities and local contacts established before they were brought into the combine. The central industrial relations staff, for a concern employing 170,000 workers, consists of only six people.

When presenting a claim, shop stewards may quote what is happening in other GE factories, but they are usually ready to accept that no two businesses are in exactly the same position and make their own agreements. Stewards as well as managements are jealous of the independence and encouraged to be so. But a few years ago, after consulting the national unions, GE replaced 175 separate pension arrangements by one comprehensive scheme.

Not all GE businesses are small. The number they employ varies from about 10 to 8,000 or more. The largest may be divided into smaller units, but there are some kinds of activity which cannot be successful on a small scale. Motor assembly is one of them.

British Leyland recently announced that individual managers are being made more responsible for labour relations, but they are of necessity responsible for large plants. Motor units could be sub-divided to some extent, but the best solution is probably to develope "right down to the shop floor" along the lines of the various schemes to improve "job satisfaction" that have been devised in recent years. Under such schemes work groups are given greater power of decision and so are their foremen and middle managers.

The beauty of smallness may be found in pieces of big things as well as in small things.

Eric Wigham

Dams halfway across the spending river

On December 19 last *The Times* commented, in a leading article under the heading "Spending is out of control", that the PESC (Public Expenditure Survey Committee) system remains in concept the most constructive and imaginative institutional contribution to rational government since competitive entry to the Civil Service; but it urgently needs reinforcement by four new Prime Ministerial rules.

A very senior person in the Treasury recently remarked that all the four suggested new rules had now been applied. It is worth inquiring how far this is really true.

The rules suggested by *The Times* were: "First, that the PESC figures are in themselves a policy commitment which overrides all particular policy commitments. Secondly, that when substantial changes in particular policies or new commitments are necessary these do not and cannot become government policy until specific compensating savings have been identified and embodied in revised PESC allocations to spending departments or, if the overall total is to be increased, until the consequential taxing and financing arrangements have been specified and accepted and until the changes have been announced to Parliament.

"Thirdly, that all uncontrollable commitments be constantly monitored and, when they threaten to exceed the provision in PESC, compensating adjustments be made forthwith as under the second rule. Fourthly, that when the 'constant price' figures for future years, including the planned allowance for the relative price effect, mature into the actual estimates for the present year, allowance shall only be made for the general erosion of money values since the plans were laid and the resulting figures shall apply as cash limits."

The question of the status of the PESC figures has always been a vexed one; and the latest White Paper omits the traditional sentence defining them, merely referring to them as "plans" which "are not immutable, and must be open to revision in either direction as circumstances require."

The first public expenditure White Paper (Mr. Mandelson's of December, 1963, Cmd 2235) unashamedly admitted that the figures were an approximate indication of the indicative level of public expenditure which "do not represent decisions by the Government to spend particular sums in that (1967-68) year". By contrast the second such White Paper (Mr. Callaghan's of February, 1966, Cmd 2915) spoke quite clearly of "decisions establishing limits for the main programmes for 1969-70" and of a specific "decision to limit the total growth of public sector expenditure."

That has remained the formal position in every subsequent White Paper. But in practice under Mr. (now Lord) Barber's Chancellorship the concept of firm allocations towards the status of mere forecasts. One major spending minister in Mr. Heath's Cabinet remarked to me this week that he never took the slightest notice of PESC, always telling his officials that, if it came to the point, then provided that he could make a good political case, he would always get any money he wanted in the Cabinet, whatever overall spending plans might have been laid.

That disastrous attitude continued in the first year of the present Government. One of Labour's major spending ministers told me recently that he was shocked by the decline in

spending discipline by contrast with the previous Labour government. It remains to be seen whether, on the strength of the tougher climate reflected in the present White Paper, the PESC plans will be restored to the status which they had in the late 1960s.

As to *The Times*'s second and third rules, the Treasury's new Cabinet arrangement for operational control of the contingency reserve, announced by Mr. Joel Barnett last Thursday, is a substantial step in the right direction, though it falls well short of the watertight standard proposed by *The Times*. Under these arrangements all claims on the contingency reserve will be continuously and sympathetically monitored by the Cabinet with a view to avoiding the recent tendency for it to be spent several times over as a result of piecemeal approval of plausible bids.

But it is not clear that this will lead to all possible causes of overspending—policy changes, unexpected relative price movements and increases in "uncontrollable" items—being automatically and swiftly

identified as claims on the contingency reserve. Nor is anything said in the Treasury's recent public pronouncement about what happens if and when the contingency reserve is exhausted. Unless there is automatic provision for deciding simultaneously on compensating cuts, the totals may still grow without the economic and taxation implications of that being formally identified and accepted by ministers when extra spending is authorised.

There is no need at all to doubt the Treasury's present determination to operate this control stringently. They even recently applied it, net without considerable grumbling from the aggrieved divisions, to themselves when authorising extra spending as part of the Chancellor's recent measures to alleviate unemployment.

But nothing has yet been said about reporting the progress of this monitoring of claims on the contingency reserve to Parliament so that those who are supposed under our constitution to be the ultimate watchdogs over executive spending can satisfy themselves that excessive commitments are not being built up for future years. The Expenditure Committee should press Treasury witnesses about this when they appear today before its General Subcommittee.

As to *The Times*'s fourth rule, the Treasury's reply to the Expenditure Committee this week explains the firm in which cash limits will be applied to 1976-77: spending plans. It is a good start, provided that the limits—especially in the area of the rate support grant—are applied relentlessly.

But the cash limits will only be applied after the PESC figures for 1976-77, which are at 1975 survey prices (ie, these ruling in December, 1974), have been restated to December, 1975, price levels on the basis of the actual pay and price increases experienced in each sector, rather than on the basis of the general erosion of money values. Thus, at least half the horse will have bolted before this stable door is locked.

Peter Jay
Economics Editor

Business Diary: Out of joint • Conservative estimates

old Sticher, the new finance man of the City of London Corporation, has first-hand experience of the burden of rates the City, about which he has been protesting.

Sticher has a small office in City and is therefore a victim of the increase that he will be imposing on other ratepayers—both domestic and commercial—there.

He also has another office in Smithfield Market, sited in the borough of Islington but close to the City, because of a yards that office pays about the rates it would if it was in the City. I get the advantage of this case, but it is not fair," Sticher, who is 60, took over chairman of the committee

correctly known as the Coal, and Rates Finance Committee in January after three years as deputy. His predecessor, James Keith, had five years the job, seeing the City's bill rise from £30m to

Sticher claims to be the first chairman of the City Corporation without a professional finance qualification, though he will admit to taking economics courses at Ruskin College, Oxford. Finance is, he says, his hobby—but that is a bit of a stretch, as he is a partner in the City's bill rise from £30m to

when, 10 years ago, Lidstone succeeded in declaring a dividend for the first time in 65 years.

In his new post he is keenly aware of the responsibility he has undertaken. The City's rate will be fixed next Tuesday and then confirmed by the Court of Common Council.

"I shall be pretesting strongly on behalf of the City at the rates burden imposed on us. But first I shall have to apologize to the ratepayers. I feel very strongly about it," he said.

Taking account

Accountants may be on the defensive in the wake of the secondary banking collapse, but there is at least one group that is not backward in coming forward.

This is the new Society of Conservative Accountants, of which the party leader, former tax barrister Margaret Thatcher, has consented to be patron.

The chairman is to be Cecil Parkinson, MP for Hertfordshire South, former partner and consultant to City chartered accountants West, Wake, Price & Co.

Parkinson told Business Diary yesterday that there were 13 accountants among the 635 members of the Commons, of whom nine—all members of the SCA—were Tories.

Parkinson said, they are in alphabetical order: Bill Clark (Croydon South), John Cope (Gloucestershire South), John Davies (Kauzford), Geoffrey

Dodsworth (Hertfordshire South-West), Alexander Fletcher (Edinburgh North), Michael Shaw (Scarborough), Neville Trotter (Glasgow), and John Wakeham (Malden).

Mrs Thatcher says that the group will offer "practical professional expertise" to the party, and Parkinson said that while the accountancy bodies have, quite properly, been reluctant to negotiate in party politics, Parliament needs accountants' help.

Nevertheless, the initiative for the establishment comes not from the House, but from Conservative accountants outside. The idea for the group was put to Parkinson at the rest by Jeremy Cripps of Parker Hannifin, Peter Pennington-Leigh of Hill, Samuel and John Butcher of Touche, Ross.

Parkinson said yesterday that so far as he knew there was no comparable accountants' group advising either Labour or the Liberals.

We've all cringed at one time or another at body blows from British Rail or the Post Office, but they do occasionally take time off to have a go at each other.

The Post Office is to close its Waterloo branch, because BR won't so much more rent. The office was based at Waterloo Station since 1937 and it's the last in any big London station.

From March 19 next the nearest alternative branch will be about 400 yards away in the Waterloo Road. Neither BR nor the PO will say how much extra rent was involved.

Continuing an occasional series in which tales are kept on names that once made news...

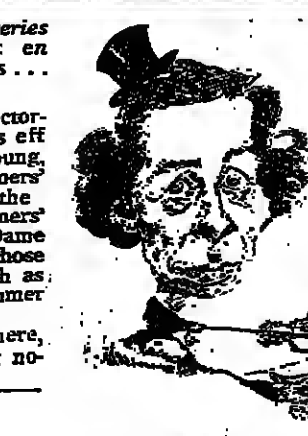
John Meahen, first Director-General of Fair Trading, is off to the CBI. Michael Young, former head of the Consumers Association, is ennobled at the new National Consumers' Council. But where's Dame Elizabeth Ackroyd, whose name was once as much as anyone's at the consumer wheel?

The answer is that she's here, there and everywhere, but no longer in the Consumer Council.

Where are they now?

She disagreed with Heath's argument that the consumer movement had become more widely recognized and protected; what is more, and so. But when Heath did a U-turn on consumerism and the Fair Trading Act was passed, the OFT formed and the consumer bandwagon really took off, Dame Elizabeth was not to be in the driving seat.

The OFT, for instance, went to Meahen, an ICI man who could persuade business that it was not being got at, even though it was, Dame Elizabeth, on the other hand, had been a career civil servant. She'd decided to leave the Consumer



Dame Elizabeth Ackroyd.

Council even before the Heath era and, although she said she'd had enough of the Civil Service and would have liked to run a business, she would say and write upstating things about the council's "brisk encounters with the well organized and well heeled forces of trade and industry."

She remains in, if not so much of the consumer movement through, among other things, a vice-presidency of the Consumers' Association and her membership of Lord Piddie's chirpy Post Office National Users' Council.

She was a member of Heath's best friends quind and single, like Heath, she enjoyed the advice to housewives to "shop around". In the past year alone she has become a part-time member of the Horse Race Tote Board and chief executive of Voluntary Service Housing.

1974 1975

Group turnover	£124,113,396	Group turnover	£14,504,290
Profit before tax and extraordinary items	£1,600,774	Profit before tax and extraordinary items	£201,009
Increased net assets	£1,600,774	Increased net assets	£201,009
Earnings per share	2.24	Earnings per share	2.24
Total dividend per share	1.26	Total dividend per share	1.26
Bonus share issue	1 for 4	Bonus share issue	1 for 4

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FINANCIAL NEWS

Coated Metals

C Walker's unfinished fight

Recession may have knocked a lot of the stuffing out of private sector steel companies. But that does not make them pushovers—as little Coated Metals can testify.

The Glamorgan-based company which manufactures aluminium steel strip and coil has found plenty of financial muscle to draw on in mounting an 85p a share cash offer from its privately owned steel stockholder, C. Walker & Sons.

And with prospects for their products looking bright, Coated still looks set to firm up a revised offer of 125p a share. Prime figure, behind the offer, is Mr. Jack Walker, joint chairman with Mr. Robert Walker, and resident in the U.S.A.

His privately-controlled Channel Islands based investment company started to bite into the 85p a share cash offer in July when the shares stood at around 40p. The company, Rosedale (C.I.) Investments, now claims control of 730,000 shares or around 20 per cent of the equity with the Walkers themselves holding 1,000 shares—a further 17 per cent.

Walker's first bid of 85p last month valued Coated at

£974,000, while the new offer puts it at above £1.4m.

Coated Metals claims to be the only aluminium steel producer in the United Kingdom. Its products represent small but important component material in domestic appliances and motor cars. New developments are finding a potential market in the building trade.

Walker's which handles nearly 15 per cent of Coated's total output on the basis of an amicable agreement claims a takeover makes good commercial sense over and above the benefits likely to accrue from traditional vertical integration.

Walker's directors say they intend to explore the possibilities both of processing further coated products—though it has not said what these products are likely to be—and of co-ordinating Coated's stockholding, sales and distribution with its own operations, particularly in Europe.

Coated, however, think differently. As well as ruling the 85p offer "totally inadequate" they claimed that the offer made "no commercial sense. The directors are thought to regard Walker as purely an extension of their own sales force and see no reason for

altering this arrangement. The new offer which sent the shares up to around 125p, has yet to be considered by the board.

Coated after a net loss of £31,000 in the year to May last, due largely to destocking by customers, and the resultant suspension of its Blackpool plant, has come back to profitability in the past eight months.

The directors confidently predict pre-tax profits for the year at around £500,000 on sales of around £7m compared with £5.1m last time. This would put earnings, a share at just over 12.5p so at 125p the exit p/e ratio is almost 10, around the average for this sector.

At the same time Coated predicts a return to 1973 dividend levels with a May 1976 year-end total of 10.5p a share gross. Covered over 1.8 times on estimates, the prospective yield is an acceptable 8.4 per cent.

With Coated's directors apparently able to control only 8.5 per cent of the equity directly and indirectly any defence of 125p might look vulnerable. But with Coated looking like a typically cyclical company on the bottom of its upswing the fight may have a few rounds to run.

Richard Allen

Klöckner-Werke omits dividend

After a "disastrous" year to September 30, Klöckner-Werke, the German heavy engineering group, has decided not to pay a dividend. The year before, shareholders received a payment of DM6. The board blamed the decision on the severity of the 1975 worldwide steel crisis.

Group profits fell from DM21.2m to only DM537,000 (DM5,000), though sales rose a little to DM3,386m. The board said that losses in earnings in 1975 were due to "adjustments to production, and write-offs and sales of fixed assets. Last year the company took a major loss in the sale of its subsidiary, Klöckner-Werke, Stuttgart, which carries steel flat products, iron and cold rolled and zinc coatings.

Warner-Lambert's overseas drive

Warner-Lambert, pharmaceutical and optical product manufacturer, announced record sales and earnings from last year. The chairman and chief executive, Mr. E. Burke Gibson, said that sales had risen by 14 per cent to \$2,727m and that earnings were up 11 per cent to \$163.5m. Earnings a share were also 11 per cent higher at \$2.08.

Overseas

\$75m on research last year and more than \$85m on high capital investment.

The company has negotiated a licence to market Liparyl, a patented new lipid-lowering (fat-reducing) agent. The product has been successfully introduced in France and this year will be introduced on several other international markets.

Mosbert liquidation

The winding-up of Mosbert Holdings will not affect its two Malaysian subsidiaries, Mosbert BHD and Malaysian Wood Products. Both the subsidiaries are 30 per cent owned by Mos-

bert and the winding-up will concern only Mosbert and its wholly-owned offshoots, Reuters reports from Kuala Lumpur.

The two companies were answering Stock Exchange questions about the winding-up. On February 5, Mosbert Holdings said it would petition the court in Hongkong to wind up the company, but did not specify which subsidiaries would be liquidated.

Talcop Associates

Mr. W. G. Peaker, vice-president of Slater, Walker & Canada, which yesterday changed its name to Talcop Associates, said the company is continuing to seek suitable acquisition in the United States. The cost would be between \$5m and \$10m. He said the company now has about \$6m in cash to spend and would finance the rest through borrowings.

Explaining the name change, a company spokesman pointed out that there was now no connection with Slater, Walker Securities (of England). The latest accounts will be published shortly.

GREENMOUNT & BOYNE: A receiver and manager has been appointed to this Irish maker of casual and protective clothing.

London dealing today in Tenneco stock

The common stock of Tenneco, the United States conglomerate which includes a 49.8 per cent stake in Albright & Wilson among its listed Kingdom interests, was listed on the Stock Exchange yesterday. Dealings are due to begin today, Thursday.

Tenneco also owns David Brown Tractors and Harrow Industries in Britain as well as interests in chemicals, petroleum and manufacturing operations. It also has stakes in several North Sea leases.

The acquisition of Harrow Industries last year involved the issue of £6.9m (10 per cent sterling-dollar convertible) secured loan stock of Tenneco. This becomes convertible from May this year. This is one reason why Tenneco has obtained a listing on its common stock in London. The listing was arranged by Morgan Stanley International, Credit Suisse White Weld, and Cazenove & Co.

Tenneco, whose headquarters are in Houston, Texas, describes itself as a "multi-industry company with major operations in manufacturing, natural gas transportation, oil, chemicals, packaging and agriculture/land development."

Fully diluted earnings per share in 1975 were \$3.63 and the Wall Street price of the common stock is \$38.1.

John Michael slims down

At the annual meeting, Mr. John Ingram, chairman of the menswear group, John Michael (Savile Row), said that "positive action" has been taken to eliminate loss-making operations and cut costs. The board has received offers for some of its low yielding property assets and will soon raise £730,000 this way.

The chairman said that with the improvement in liquidity the management he hoped for better results this year. For the year to January 31, 1975, the group's deficit soared from £70,000 to £250,000. Turnover showed a small increase from £2.3m to £2.6m, but interest charges almost doubled to £37,000. There was no dividend as before.

United Real ahead

The pre-tax revenue of United Real Property Trust rose 23 per cent to £805,000 in the first half year to October 5. It includes a share in profits from associated companies of £21,000 against £26,000. At April 5 last the trust's valuation of properties showed a surplus of £16.1m over book value, after deducting minority interests. Pre-tax profits for the year to April 5 slipped from £1.4m to £1.3m. The interim dividend rises from 1.34p gross to 1.92p.

Glasgow Stockholders

After raising its pre-tax revenue for 1975 from £371,000 to £376,000, Glasgow Stockholders Trust plans to pay fully invested for the time being. Mr. Andrew Rintoul, chairman—he is also the head of Trustee Savings Bank—says that the board's outlook is cautious but optimistic for the rest of the year. A one-for-two scrip issue is proposed.

A small fall in gross revenue reflects the switch from cash and near cash, earning high interest rates, to the present investment funds. Funds invested overseas have been reduced from \$9.4 to \$1.3 per cent.

Evode acquisition

Evode has recently bought an 80 per cent interest in Societe Chimique Enfi, a French manufacturer of adhesives, of Haguenau, near Strasbourg. This investment will enable the group to expand its activities in France. The Austrian and Swiss markets can be well served from this location with materials with which,

hitherto, have been uncommon.

The 80 per cent stake was acquired for a consideration of £730,000, and a loan of £750,000 is being made to the company.

New look for Hanger motor group

Hanger Investments says that a recent large-scale reorganisation of the Hanger Group, a Midlands-based automotive concern, has brought new strength to certain vital areas of the operation. It has also opened the way to greater exploitation of market opportunities.

The reorganisation includes management appointments and the setting up of a new group management board to co-ordinate activities. Hanger Trucks now operates as a separate company within the group and Mr. H. Usher is appointed to the Hanger Investments board.

Philip Morris to get \$250m revolving credit

New York, Feb. 25.—The board of Philip Morris Inc. has authorized a financing programme under which the company plans to enter into a \$250m (about £125m) revolving credit and term loan agreement with a group of 16 banks led by First National City Bank.

The financing programme, the largest in the company's history, will consist of a three-year stand-by facility convertible into a five-year term loan maturing in 1984. The new credit will be used to support the company's borrowing needs.—AP-Dow Jones.

Int Energy Bank

International Energy Bank, a London-based consortium bank specialising in financing energy developments, increased its profits from £710,000 to £973,000 last year, its second full year of operation. After £28.9m, evidence of a further expansion of the loan book is apparent in future loan commitments of £24.1m. This does not take account of the bank's participation in two new loans totalling \$275m for North Sea developments, which the bank has co-managed.

Creusot-Laure issue

The directors of Creusot-Laure price a one-for-four share issue priced at 130 francs a unit. This compares with 161 francs in the market. It will increase the group's capital from 294.7m francs to 369.35m francs.

President Jean Forget said that profits of this special steels and machine tools group will be

"above 40m francs" for 1975 compared with 46m francs. The dividend should be at least equal to 11.70 francs paid in 1974.—Reuter.

Not easy times for gnomes

Hans Strasser, president of the Swiss Bank Corporation, said in Basle that the bank would find it hard this year to match the profit levels of 1975, which reached 300m francs (£36m), against 178m, in 1974.

He was moderately optimistic, however, as world economic activity was picking up, though the Swiss economy was still stagnant. Total loan demand at the bank had grown only 4.4 per cent, while foreign exchange and gold business dropped by 43.6m francs to 196m.

On "foreign" holdings in the bank, an official said, the board aimed to reduce these to about 30 per cent of total bearer shares, which constitute half the capital. A "majority" of the bearer shares were already in Swiss hands.—AP-Dow Jones.

Ley's faltering after promising start

A good opening quarter, but an unpromising second three months for its chief subsidiaries, were reported to shareholders of Ley's Foundries & Engineering at the annual meeting.

Ley's Malleable Castings held its ground in the first quarter (October-December) but the volume of business will be lower in the second three months. A good opening came from Ewart Chabot which should continue, but here again incoming orders are well below production.

W. Shaw also faces competition. The first six months should be better, but the second half will not be so good.

Oakbridge 60pc up

Shareholders in Oakbridge, the Australian mining and manufacturing group, are to receive an increase in dividend from 3c to 4c for the six months to December 31. Net profits rose 60.4 per cent to \$15.6m (£1.16m). The policy of early retirement of overseas debts has continued. This reduced long-term liabilities at January 31, from \$10.9m at June 30, to \$2.7m at January 31.

UC Inv & Geduld Inv

The annual reports of UC Investments and Geduld Investments, respectively the mining and industrial investment holding companies in the Union Corporation Group, both show a decline in net assets. UCI has declined to \$98.3m, the lowest level since 1973, while Geduld has dropped to \$25.6m, against \$28.7m in 1974.

Briefly

MID-SUSSEX WATER
Minimum tender price for company's 8 per cent redeemable preference stock 1981 is £28.50 per £100 stock. Yield together with tax credit is 12.49. Last day for receipt of tenders is March 3.

ELECTRONIC MACHINE
Electronic Machine has bought majority interest in Davio Optical, north London manufacturer of specialist lenses and lens systems. E.M.C. will be investing approximately £50,000 to pay for acquisition and expansion.

SEAFORD ENGINEERING
Manchester Assurance has bought stake of 92,000 (4.2 per cent) preference shares of company, more than 10 per cent of that class of share.

WHEATWAY WATSON
In eight months, Wheatway Watson has twice called on its shareholders for cash. Tuesday's rights issue of £402,000, comes after a £400,000 issue in June. Both issues will help pay for modernisation. For the year to April 2, the board forecasts pre-tax profits of £725,000 against £550,000 and a final dividend of 0.67p gross, compared with 0.45p.

SHARE STAKE
Finance and Industrial Trust—Yorkshire Investments now holds 481,602 ordinary shares in company (18.7 per cent).

LONDON & GARTMORE
London & Gartmore Investment Trust reported a 31 per cent increase in half-year to December 31 down from £236,000 to £256,000. An interim payment (against 0.215p gross). Profit of not less than 0.232p gross (all last time) is forecast.

MATHER & PLATT
In eight months, Mather & Platt of Sydney, Australia, has increased its interest in Mather and Platt to a further 100,000 shares, making a total of 2.78 million shares (14.99 per cent).

COLMORE INVESTMENTS
Pre-tax profit for nine months to December 31, about £14,000 (£80,000) before loan interest £48,000 (£38,000). No interim dividend, against 0.515p gross.

MOORSIDE TRUST
Gross revenue for period, April 1, 1975, to December 31, 1975, £379,000. For period January 22, 1975 to April 4, 1975, £148,000. Total payment for period January 22, 1975 to December 31, 1975, 5.79p gross (4.72p for period January 1, 1974, to January 22, 1975).

BANK OF NOVA SCOTIA
Pre-tax revenue for three months to January 31, 1975, \$5.4m. Dividend, 40 cents.

BETHLEHEM STEEL
Bethlehem, Pa.—The public offering of \$200m of 8 per cent debentures, due March 1, 2001, of Bethlehem Steel Corp is being made by Kuhn Loeb & Co and Smith Barney Harris Upham & Co. The debentures are priced at 99 1/2 per cent, plus accrued interest to yield 8.45 per cent to maturity.

AMAX DEBENTURES
New York.—A syndicate headed by Lehman Brothers Inc is offering \$50m of Amax Inc debentures and two million shares of Amax convertible preferred stock. The debentures, due 2001, are being offered at 99 1/2 per cent, plus coupon in yield 8.70 per cent.—Reuter.

COMPANY Gold Fields on swings and roundabouts

Contradictions facing Consolidated Gold Fields are emphasised as the group's Australasian Corporation reports a five-fold pre-tax profit increase, and its Australian interests announce a \$59.1m lease in a \$52.8m loss.

ARC's performance, while expected to be good, was much stiffer than hoped, while the gores from CGFA were worse than feared, notwithstanding all the known problems of the operations, particularly Mount Isa.

At ARC, pre-tax profits fell from £1.05m to £542m in six months to the end of December, and while a comparison with the first half in 74 is slightly misleading because of the unusually depressed figures, the firm up trend in profits is clear. Indeed, the first half profit was more than made in the full year to last June.

Turnover rose £57m to £72m, a 27 per cent increase owed to a rise in volume, rather than price increases. Interest charges were substantially down at £1.1m, reducing both lower rates and savings.

Major contributors to the proved results were the granite and precast sections. A company said that initial

Mining

Meanwhile, the gloomy story from Australia is told by a 64 per cent drop in trading profit on a 23 per cent decrease in gross revenue—and with interest charges nearly doubled to \$1.7m for the half year to December 31.

While mineral sands, tin and coal companies contributed to earnings, there were significant losses from the copper and iron-ore interests. Although base metal prices and demand are expected to pick up a little during the second half, the group is "not at all confident that the loss now reported can be significantly reduced."

The interim dividend has been omitted, compared with a payment last year of 7c.

business appointments

New managing director or L & O Freighters

Mr. Stanley Sedgwick is to be managing director of Overseas Freighters on March 1 in succession to Mr. B. S. Voleau, who is taking up residence abroad. Mr. Sedgwick remains on the board in a part-time capacity.

Lord Pritchard, a director of Lard Bank, has been elected to the board of London American Corporation following the resignation of a controlling interest in the corporation by Midland last year.

Health Mohammed al Badrawi Mr. Adam Khalil al Badrawi has been elected to the board of Edwards & Sons (Bolton).

Mr. D. C. Macdonald and Mr. G. Kennington have been elected chairman and deputy chairman of the Housing Board. The following were elected to the executive committee: Mr. R. A. Brooks, Kleinwort, son; Mr. D. J. Ewart, Guinness; Mr. J. R. Gilliam, Samuel Jergon; Mr. D. O. Horne; Mr. T. A. F. McGee has joined the board of Boston Centre Properties.

Mr. A. A. Smith has been appointed managing director of Kite Britton.

Mr. J. Ross MacLennan and Mr. Neil Denton have joined the board of Pension Planners (Europe).

بنك الكويت الوطني بنك

THE NATIONAL BANK OF KUWAIT S.A.K.

Established 1952

BALANCE SHEET AT 31st DECEMBER 1975

LIABILITIES		ASSETS	
1974 Kuwaiti Dinars	1975 Kuwaiti Dinars	1974 Kuwaiti Dinars	1975 Kuwaiti Dinars
Capital Authorized, Issued and paid up 100,000 shares of KD 7.500 each fully paid	7,500,000	Cash and Current Accounts with Banks Money at Call and Short Notice	38,431,156
Statutory Reserve	2,709,300	Quoted Investments at Market Value Foreign Government Securities and Securities Guaranteed by Foreign Governments	36,439,884
General Reserve	14,290,700	Other Securities	7,251,049
	17,000,000		6,419,034
Profit and Loss Account	435,063	Deposit Accounts with Banks, Industrial Bankers and Other Financial Institutions	13,673,083
	24,935,063	Loan guaranteed by the Government of Kuwait	101,952,805
Current, Deposit and Other Accounts (including Contingency Accounts)	317,839,936	Advance to Customers, Bills Discounted and Other Accounts	12,570,173
Proposed Dividend, payable 1st February 1976	1,650,000	Unquoted Investments (at or under cost) Subsidiaries and Associated Companies	158,904,273
Confirmed Credits, Acceptances and Guarantees on behalf of Customers, as per contra	103,759,222	Others	3,649,894
			26,024,900
		Land and Buildings (at cost less amounts written off)	29,674,794
		Liability of Customers for Confirmed Credits, Acceptances and Guarantees as per contra	105,003,866
KD 448,184,221	KD 533,505,456	KD 448,184,221	KD 533,505,456

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st DECEMBER 1975

1974 Kuwaiti Dinars	1975 Kuwaiti Dinars
Profit after charging all expenses, making provision for contingencies and writing down assets	2,750,210
Balance brought forward from previous year	334,853
	3,085,063
Transferred to Statutory Reserve	275,000
Transferred to General Reserve	725,000
Proposed dividend of 22% (KD 1,650 per share) payable 1st February 1976	1,650,000
	2,650,000
KD 435,063	KD 570,622

London Correspondents:
United Bank of Kuwait Limited
Standard Chartered Bank
Midland Bank Limited
Barclays Bank Limited
Lloyds Bank Limited
National Westminster Bank Limited
Bank of Tokyo Limited
Chase Manhattan Bank
Fiji Bank Limited

New York Correspondents:
Bank of America (International)
Bankers Trust Company
Chase Manhattan Bank
Chemical Bank
First National City Bank
Irving Trust Company
J. Henry Schroder Banking Corporation
Manufacturers Hanover Trust Company
Morgan Guaranty Trust Company

Correspondents in all principal countries.

A COMPLETE BANKING SERVICE FOR TRANSACTIONS WITH KUWAIT

MARKET REPORTS

China enters sugar market as a buyer

By Wallace Jackson
Commodities Editor

Two "bullish" factors—the entry into the world sugar market of China as a buyer, and to a lesser extent, a Philippines sale of an unknown quantity of sugar to the United States—combined yesterday in lifting the London daily price of raw sugar by 1.16¢ a long ton.

Brokers C. Crumley said that firm news on the size of Chinese purchases was not available. Market estimates range between 30,000 and 100,000 tons and a figure of 400,000 tons has been mentioned in some quarters. Crumley believes that the total will be over 100,000 tons.

It is believed that the bulk of the sales have come from Thailand.

The Philippines have an embarrassing "mountain" of sugar, as reported in Business News on February 23. Crumley says that the sale, which could be in the region of 150,000 tons, is to a United States refiner. They understand that payment will be on the basis of the refiner's net return from final sales of the processed material.

The United States purchase of Philippines sugar has probably been a result of the fact that the Soviet Union has been buying a big sugar deal from Cuba. This has left Cuba short of supplies for other markets.

The lift yesterday in the London daily price for "raws" brings it back to the level reached in mid-January, since when it has been consistently below £150.

The London daily price for white sugar also rose yesterday, from £180 to £184 a long ton.

Better price prospects seen ahead

In its weekly technical report, Chart Analysis, Investment research company, forecasts generally brighter prospects for major London-traded commodities, several of which have recently begun to show improved prices.

The company makes the following comments:

Cocoa continues in consolidation earlier gains, and this should lead to a further upside move in coming weeks.

Sugar prices may soon test the upper side of the five-month (August delivery position) trading range, above £170 (a long ton). The intermediate term outlook is extremely bullish.

Coffee: With the indicator overbought, downside risk is small and this commodity should soon test the recent peak at £910 (per metric ton for July deliveries).

Grains are still holding above support from their November and January lows, although overhead supply has been building upside scope, the path of least (price) resistance is upwards.

Soyabean meal may now need to consolidate recent gains before moving higher.

Rubber appears capable of moving slightly higher in the short term, although another period of reaction and consolidation may be necessary before the next (short) objective at 50p (per kilogram for January-March, 1977 deliveries) is filled.

Silver needs only minor consolidation before testing the January high (for three months) at £214 (a metric ton), at least.

Copper, three months, may encounter some temporary resistance. However, the recovery is now under way and downside reactions are likely to be short-lived.

The standard, three months: Unlikely to encounter more than temporary resistance, and this metal is close to completing a base (price) formation which should eventually support a major recovery.

Zinc, three months: With the indicator now overbought, zinc could see a brief period of consolidation near current levels prior to clearing the next (price) resistance at £330 and £354 (a metric ton).

Lead, three months: Although slightly over-extended in the short term, lead is unlikely to see more than minor consolidation near current levels before extending its advance to a test of the August peak at £200 (a metric ton).

Commodities

Further rise in copper prices

Copper wire bars registered gains of 55.30 for cash and 55.75 for three months yesterday in a very steady market reflecting reports that United States producers were pulling up prices. Cities Service Co. announced that they were increasing copper cathode prices by 3 cents a pound.

Earlier in the day the market was also influenced by the report that the Angolan government had seized 1,200 tonnes of Zambian copper from a ship which was ready to sail from Luanda.

Despite a gain of over \$12 in the Pennant price, London tin prices were slightly down on Tuesday's levels, standard small dropping by 11 and three months by a similar sum.

Both lead and zinc were easier on balance, but silver was slightly up on the day.

COPPER.—Afternoon.—Cash wire bars, 55.30; three months, 55.75; standard small, 55.30; three months, 55.75; standard large, 55.30; three months, 55.75.

SILVER.—Afternoon.—Standard cash, 15.10; three months, 15.10; standard small, 15.10; three months, 15.10.

LEAD.—Afternoon.—Standard cash, 11.10; three months, 11.10; standard small, 11.10; three months, 11.10.

ZINC.—Afternoon.—Standard cash, 11.10; three months, 11.10; standard small, 11.10; three months, 11.10.

TIN.—Afternoon.—Standard cash, 11.10; three months, 11.10; standard small, 11.10; three months, 11.10.

PLATINUM.—Afternoon.—Standard cash, 11.10; three months, 11.10; standard small, 11.10; three months, 11.10.

ROBUSTA.—Afternoon.—Standard cash, 11.10; three months, 11.10; standard small, 11.10; three months, 11.10.

COFFEE.—Afternoon.—Standard cash, 11.10; three months, 11.10; standard small, 11.10; three months, 11.10.

SOYABEAN MEAL.—Afternoon.—Standard cash, 11.10; three months, 11.10; standard small, 11.10; three months, 11.10.

WHEAT.—Afternoon.—Standard cash, 11.10; three months, 11.10; standard small, 11.10; three months, 11.10.

BARLEY.—Afternoon.—Standard cash, 11.10; three months, 11.10; standard small, 11.10; three months, 11.10.

RYE.—Afternoon.—Standard cash, 11.10; three months, 11.10; standard small, 11.10; three months, 11.10.

MAIZE.—Afternoon.—Standard cash, 11.10; three months, 11.10; standard small, 11.10; three months, 11.10.

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Foreign Exchange

The lira recovered about 4 per cent against the dollar in European currency trading yesterday as overseas markets reacted favourably to the news that Italy is officially reopening its foreign exchange system on Monday.

The dollar also rallied slightly elsewhere in Europe. The Italian situation has been indirectly responsible for causing wide currency unrest for several weeks, and signs that Italian monetary and political problems may be reaching some form of solution should generally help calm markets, dealers said.

The lira moved in 779.781 against the dollar in spot trading from 777.799 overnight, and after touching rates of more than 805 on Tuesday.

This reduced the lira's de facto devaluation against the dollar in London to about 13 per cent since last month's devaluation. Sterling gained 10 points against the dollar to \$2.0361. Its effective rate was unchanged at 30.3 per ounce.

Gold rose \$1.00 to \$133.50 an ounce.

Spot Position of Sterling

Forward Levels

Gold

Eurosyndicat

BHP in search for partners

Malbourne, Feb. 25.—Broken Hill Proprietary Co. (BHP) has been holding talks with United States and European companies on forming a consortium to further explore and develop the OK Tedi copper deposit in Papua New Guinea, a BHP spokesman said.

After discussions with the Papua New Guinea Government, BHP has accepted a proposal to see if it can put together an OK Tedi consortium, he said.

Authorised Units, Insurance & Offshore Funds

Bank Base Rates

Talks on setting up tea pact

Bank Base Rates

Bank Base Rates

Bank Base Rates

Bank Base Rates

Bank Base Rates

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Discount market

Money, paved to be in unacceptably short supply on Lombard Street yesterday. Tax payments were the reason, building up surprisingly sharply and creating the need for exceptionally large help from the authorities.

Assistance was provided to the discount houses by way of overnight lending at minimum lending rate of 10 per cent, and via very large purchases of bills—mainly Treasury bills, but with a few corporate bills.

The stance of the market looked reasonably encouraging, and first rates were no higher than 8 or 8 1/2 per cent. But some of the clearing banks soon became "callers", and rates swiftly turned up to around 9 1/2 per cent.

From that point on, money rates were in a range of 8 1/2 to 9 per cent.

Money Market Rates

Recent Issues

Recent Issues

Recent Issues

Recent Issues

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Wall Street

New York, Feb. 25.—Stocks closed mostly lower, with the Dow Jones industrial average falling for the second straight session to rise above the 1,000 level.

The industrial index closed at 994.37, up 1.02. It was off about six points at its low for the session. Both on Tuesday and today it approached within four points of the 1,000 level and turned back.

Declining issues moderately outnumbered gains about 890 to 665. Volume totalled 34.68 million shares, compared with 34.38 million yesterday.

Brokers said the market continued to bump into an overhead supply of new issues, but was short of the 1,000 level and some investors were selling on concern that if the market pushed above 1,000, more concentrated selling might bring on a correction from earlier gains.

Analysis said the market also showed some uncertainty about the strong second-place showing of Mr. Ronald Reagan in the New Hampshire presidential primary election, with narrowly by President Ford.

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